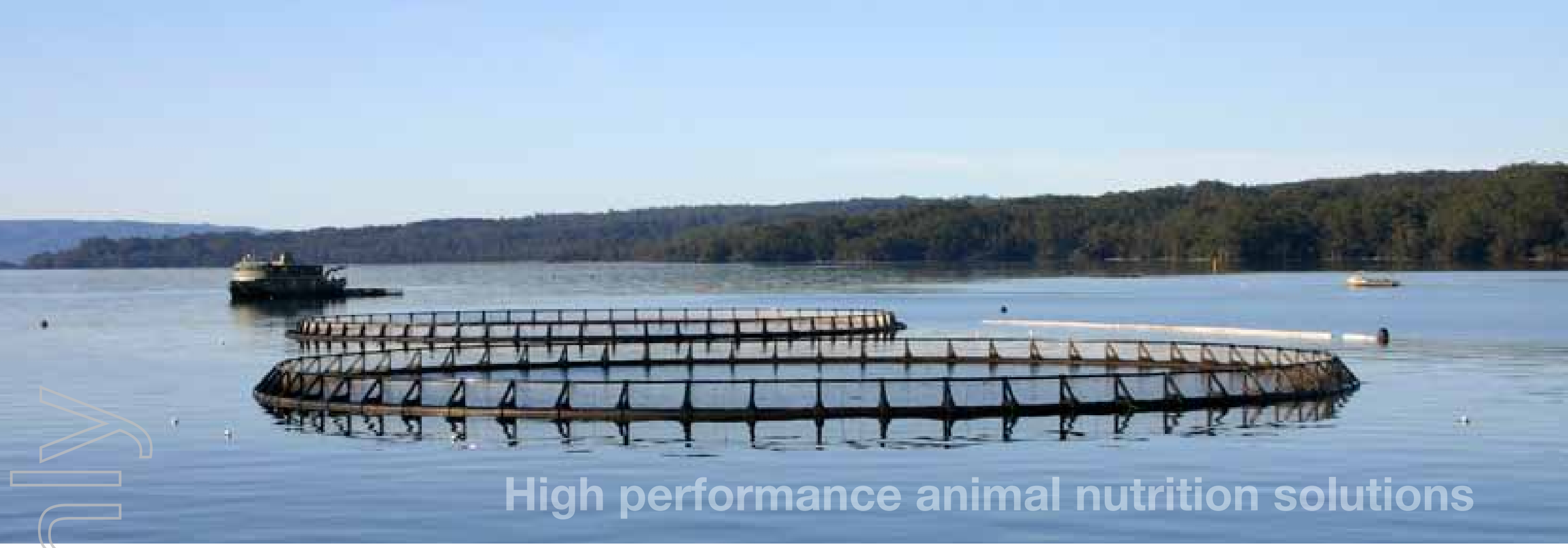

High performance animal nutrition solutions

RIDLEY

ANNUAL REPORT 2013

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About the Company

Ridley Corporation proudly stands as an Australian based company running the business of Ridley AgriProducts, the country's leading producer of premium quality high performance animal nutrition solutions.

As one of the largest domestic consumers of Australian grown cereal grains and a significant employer in farming communities, Ridley is continually providing support to primary producers and rural Australia. The Ridley AgriProducts operation is a pivotal and trusted supplier of high performance nutrition to the major food producers in the dairy, poultry, pig, aquaculture, sheep and beef industries, to the laboratory animals in the research sector, and to the equine and canine markets in the recreational sector.

Ridley's product range includes finished products, in bulk or in bags and generally in pellet form, raw materials, additives and supplements, and animal meals. The Ridley animal meals, which include meat and bone meal, poultry meal, hydrolysed feather meal, blood meal, fish meal and animal fats, are an important and valuable source of protein produced from otherwise surplus raw materials which are subjected to a process called rendering.

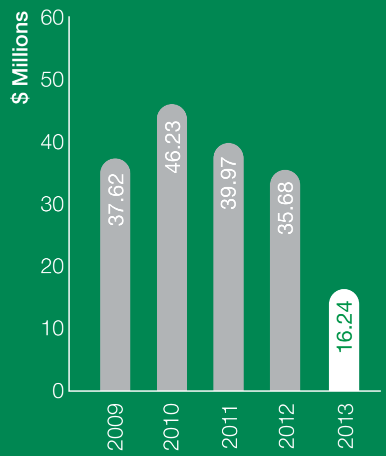
With major Ridley AgriProducts brands including Barastoc, Rumevite, Cobber, Ridley Dairy Feeds and Ridley Aqua-Feed, and with a product range to accommodate starter feed solutions, Ridley has developed a portfolio that provides a first class lifecycle solution.

Five Year Summary

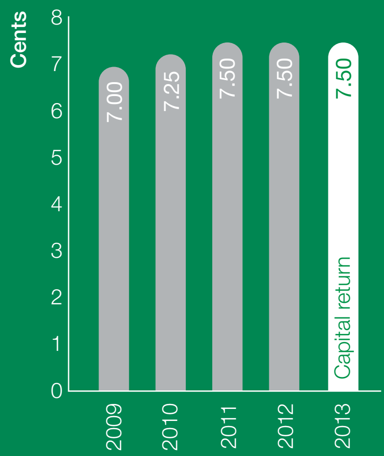
A'000 Unless Otherwise Stated	Actual 2013	Actual 2012	Actual 2011	Actual 2010	Normalised 2009
Operating results					
Revenue (FY13 including discontinued operation)	**783,226**	734,695	723,702	727,968	819,436
Other income	**321**	1,674	1,241	1,102	1,379
Earnings before interest, tax, depreciation and amortisation (EBITDA)*	**1,252**	50,086	54,218	58,486	55,509
Earnings before interest and tax (EBIT)*	**(13,272)**	35,682	39,965	46,234	44,424
Net interest expense/finance charge	**7,737**	9,327	9,725	8,156	8,000
Operating profit before tax*	**(21,009)**	26,355	30,240	38,078	36,424
Tax expense	**(4,423)**	7,102	924	8,985	8,281
Net profit before significant items	**(16,586)**	19,253	29,316	29,093	28,142
Significant items – net of tax and MI	**-**	-	-	-	(7,404)
Net profit after tax and significant items	**(16,586)**	19,253	29,316	29,093	20,738
Loss from discontinued operation	**(5,108)**	-	-	-	(52,442)
Profit/(loss) attributable to members	**(21,694)**	19,253	29,316	29,093	(31,704)
Financial position					
Ridley shareholders' funds#	**207,553**	278,371	282,618	285,157	276,211
Total assets#	**410,626**	499,561	510,640	484,300	468,621
Total liabilities#	**203,073**	221,190	228,022	199,143	192,410
Net debt	**17,835**	98,151	102,139	71,981	69,414
Market capitalisation	**230,863**	313,973	378,615	353,990	236,402
Enterprise value	**248,698**	412,124	480,754	425,971	305,803
Operating cash flow	**52,583**	50,896	35,472	39,426	52,966
Closing share price (cents)	**75.00**	102.00	123.00	115.00	78.00
Weighted average number of shares on issue – non-diluted (thousands)	**307,817**	307,817	307,817	307,817	303,080
Number of employees (number)	**649**	961	948	974	931
Key profitability ratios					
Return on shareholders' funds (%) before discontinued operations and significant items*	**-6.8%**	6.9%	10.3%	10.4%	9.4%
Earnings per share (EPS) (cents) before significant items and discontinued operation*	**(7.0)**	6.3	9.5	9.5	9.3
EPS growth (%)	**-212.7%**	-34.3%	1.1%	39.7%	389.5%
EBIT growth (%)	**-137.2%**	-11%	-14%	23%	38%
Operating cash flow/EBITDA (times)	**41.99**	1.02	0.65	0.67	0.95
Operating cash flow per share (cents)	**0.17**	0.17	0.12	0.13	0.18
Market capitalisation/operating cash flow (times)	**4.4**	6.2	10.7	9.0	4.4
EBIT per employee (A$'000)	**(20.5)**	37.1	42.2	47.5	47.7
Capital market and structure ratios					
EBITx (market cap/EBIT)	**(17.4x)**	8.8x	9.5x	7.7x	5.3x
EBITDA per share (cents)*	**0.4**	16.3	17.6	19.0	18.6
EBITDA growth (%)	**-97%**	-8%	-7%	20%	26%
EBITDAx (market cap/EBITDA)	**184.4x**	6.3x	7.0x	6.0x	4.2x
Enterprise value/EBITDA (multiple)*	**198.6**	8.2	8.9	7.3	5.5
P/E ratio (times)	**(10.6)**	16.3	12.9	12.2	8.4
Net debt/shareholders' equity (%)	**8.6%**	35.3%	36.1%	25.2%	25.1%
Equity/Total Assets (%)	**50.5%**	55.7%	55.3%	58.9%	58.9%
Net debt/EBITDA (times)*	**14.24**	1.96	1.9	1.2	1.3
EBIT/net interest (times)	**(1.72)**	3.83	4.1	5.7	5.6
Net tangible asset backing per share (cents)	**42.1**	75.9	77.4	83.1	83.3
Dividends per share (cents)	**-^**	7.50	7.50	7.25	7.00
Dividend payout ratio (%)*	**-**	120%	79%	77%	75%
Percentage franked (%)	**-**	100%	Nil	Nil	Nil

* Before significant items in 2009.
\# 2012 and 2011 restated for change in accounting policy for land and buildings.
^ Capital return of 7.50 cents per share paid in July 2013.

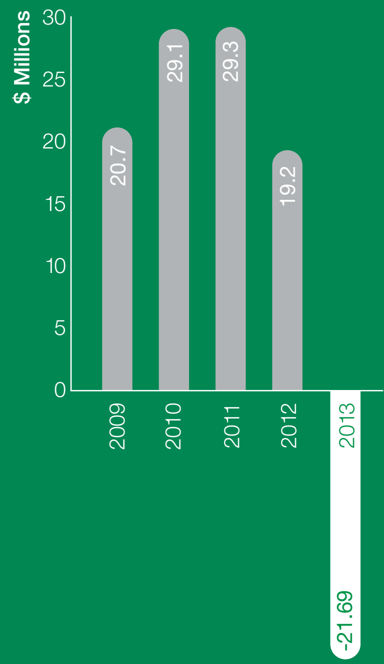
EBIT from continuing operations*



Dividends and distributions per share#



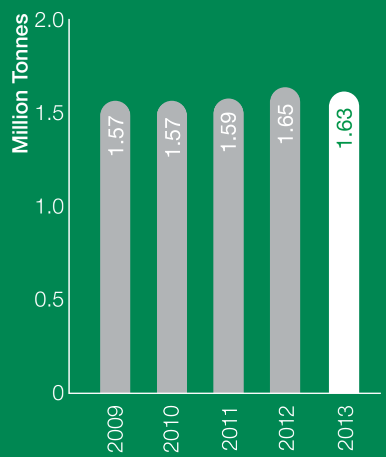
Consolidated net profit



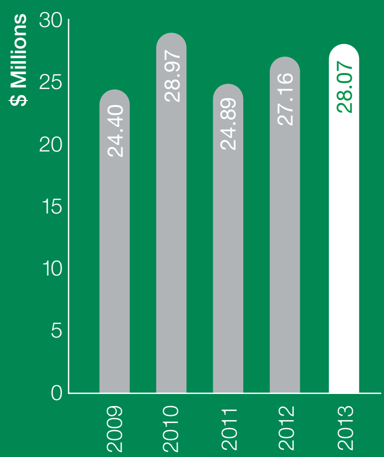
* 2013 before Business restructuring and discontinued operations and 2009 exc Ridley Inc. normalisation

2013 distribution to shareholders by way of 7.50 cents capital return

Ridley AgriProducts volume



Ridley AgriProducts operating EBIT



The outlook for Ridley as a dedicated agribusiness is a positive one, with organic and acquisition growth avenues for its AgriProducts business.

Chairman's Address

John M Spark
Chair

This has been a particularly complicated and busy year for Ridley. We started the year in the midst of a sale process for the Cheetham Salt business, with our largest shareholder looking to exit the register, with our new mill at Pakenham midway through construction, and with high hopes for a recovery in the Dairy sector.

Whilst all this was happening, a significant opportunity in the rendering sector emerged by way of the CSF Proteins Melbourne rendering business at Laverton, and already strained resources were engaged to pursue this opportunity whilst continuing with the Cheetham Salt divestment process. The timing for each potential transaction was a moving feast and required great agility, understanding and support from the Board, management, and our bankers and advisers.

On 9 November 2012 we announced that agreement had been reached to acquire Victoria's leading rendering business, which marked Ridley's entry into the Victorian rendering sector and a critical step in the execution of Ridley's strategy to secure strategic feed ingredients by acquiring businesses with proven track records, good management and strong conversion of earnings to cash.

On 29 November 2012 we signed the agreement to divest the Cheetham Salt business, excluding the Dry Creek operating salt field in Adelaide, South Australia and all the assets associated with the non-operating Bowen, Lara and Moolap former salt field sites.

In order for Ridley shareholders to be able to participate in the potential significant uplifts in value, the non-operating salt field assets were excluded from the sale transaction and transferred from Cheetham Salt ownership to a separate property holding entity established within the Ridley consolidated group.

In December 2012, the new Pakenham mill was duly commissioned and the conditions precedent associated with the rendering acquisition were also achieved in order to effect completion of the acquisition on 31 December 2012 for a total outlay of approximately $80 million.

The 18 January 2013 announcement by Penrice of its intention by 30 June 2013 to cease its soda ash production and requirement for brine produced at Dry Creek highlighted the uncertainties associated with the longevity of the Dry Creek operation that led to its exclusion from the Cheetham Salt sale process. The recovery of appropriate compensation for Ridley shareholders for the early termination of the Penrice salt supply agreement became a priority for the second half year.

On 14 February 2013, the Board announced the appointment of a new CEO to provide long term leadership for the Company through its next phase of development. An orderly transition program was developed which led to Mr John Murray's resignation from the Ridley Board on 1 July 2013 and appointment as Non-Executive Chair of the dedicated Ridley property holding entity.

With satisfaction of all conditions precedent achieved, the divestment of Cheetham Salt duly concluded on 28 February 2013 and consideration of $150 million was duly received and banked.

On 6 May 2013 announcements were made that the largest shareholder on the Ridley register had agreed to sell 19.5% of its 22.1% holding to an overseas private equity firm with a reputation for typically seeking minority interests and looking to cultivate profitable, long term growth in the food and agriculture sectors.

With the rendering acquisition and salt business divestment complete, the ongoing cash flows, forecast earnings and borrowing requirements were duly examined and a capital return of 7.5 cents per share determined by the Board. A Notice of General Meeting to approve the capital return was issued and released on 21 May 2013, incorporating a meeting date of 24 June 2013. The capital return was duly approved by shareholders and the return distributed after year end on 5 July 2013.

The final part of this complex year was completed on 28 June 2013 with the execution of an agreement with Penrice to secure compensation for its early termination of the Dry Creek salt supply agreement. The commercial details have been included in the Managing Director's Review and the outcome is considered by the Board to deliver a fair and reasonable solution for the shareholders of each entity. The financial details associated with the cessation of operations at Dry Creek have been incorporated within the Financial Review section of this Annual Report.

Financial

Against the backdrop of these far reaching structural changes, the financial performance of the core business has been affected during the year by a number of significant factors, including continued price pressure in the dairy industry and ongoing reductions in the use of compound feed by dairy farmers, over-supply and fierce competition in the packaged product sector, and ongoing restrictions on rendered product exports to certain Asian countries arising from Avian Influenza outbreaks.

The Ridley AgriProducts' underlying operational result of $28.1 million at the Earnings Before Interest and Tax (EBIT) level compares respectably to the $27.2 million reported in the prior year, with a half year of earnings from the Victorian rendering business offsetting the lower Dairy and Packaged Products performance.

The profit and loss on the sale and result of the discontinued operations of Cheetham Salt are addressed within the Financial Review section of this Annual Report, together with the goodwill movements and asset write offs.

People

The appointment of Mr Tim Hart as the new Ridley Managing Director coincides with the start of a new era for the Company as a dedicated agribusiness. The retention of Mr Murray to provide continuity in the newly-established property realisation segment is important to ensure that no traction is lost in the critical approvals processes underway in Victoria and South Australia. I would like to express my sincere thanks to John for his extensive achievements in recent years, including unshackling the Company from its former constraints and positioning it well for future growth.

When standing for re-election at the 2012 Annual General Meeting, Deputy Chairman Mr Rick Lee stated his intent to see the divestment of Cheetham Salt through to its completion, whereupon he would be in a position to retire from the Board. Mr Lee duly stepped down from the Board on 30 June 2013 after 12 years of service, and I would like to thank Rick for his contribution to the Company throughout that time.

I would like to welcome Mr Ejnar Knudsen to the Ridley Board as representative of our new 19.7% shareholder. In addition to his extensive experience in the agribusiness sector in the United States (US), Ejnar's relationship network and insights into US best practice are also expected to provide a valuable contribution to the Board. The Ridley Board looks forward to a long and successful involvement with AGR Partners as a major shareholder.

2013 has been another challenging year for Ridley, and has required and achieved a high degree of commitment and support from everyone involved, both internally and also with external service providers. I thank my fellow Directors, departing Managing Director Mr Murray and his management team, and our bankers and advisers, for their continuing efforts to help us achieve our objective of repositioning the Company for future growth that can maximise the long term value of Ridley for its shareholders.

Capital return

With the uncertainties associated with what has been a turbulent year, there was no interim dividend paid at the end of March 2013. Shareholder returns have since been delivered by way of a 7.5 cent per share capital return. Whilst acknowledging the cash outlay, the capital return does not have a direct causal impact on the prospects of future dividends payable by the Company in following years. The dividend prospects are determined by the forecast earnings and cash flow conversion of the business, plus the growth opportunities prevalent and foreseeable at the time of dividend declaration.

Outlook

The outlook for Ridley as a dedicated agribusiness is a positive one, with organic and acquisition growth avenues for its AgriProducts business. In addition, Ridley has longer term land sale and development prospects for its surplus properties, the most prominent of which are the former salt fields at Lara and Moolap, near Geelong in Victoria, and at Dry Creek in South Australia, the ownership of which has been retained by Ridley.

Our newly constructed mill at Pakenham provides a springboard for our dairy business throughout the Gippsland region in Victoria and also in Tasmania, and we are actively marketing for sale the former Dandenong mill which was closed during the year and the volumes transferred across to Pakenham.

We should note that the Group is currently focusing on a strategic review of our existing mill assets as a basis for modernisation, renewal, consolidation and expansion.

In addition to its core business focus, Ridley will continue to seek to identify and secure 'bolt-on' or larger scale acquisition opportunities in accordance with its core competencies, strict disciplines and hurdle rates.

I believe Australian agriculture is well positioned to take advantage of the ever increasing demand from Asia for protein from livestock, and to become a leading player and compelling investment proposition in the Australian agribusiness sector. Regional imbalances between population numbers and animal production capacity continue to provide long term growth opportunities for Ridley.

The 2013 financial year was a year of restructure containing a number of once off and restructuring-type transactions. We are hoping that in the year ahead we can focus on growing our business without the complexities we have faced and successfully addressed over the last couple of years. Whilst we do experience cyclical variations in earnings, our sector diversity does provide some insulation from the fluctuating fortunes of an Australian agricultural sector strongly influenced by world markets and harvest outlooks, exchange rates and overall sentiment. From 1 July 2013 onwards, the core business is expected to return to a 'normal' level of ongoing and sustainable performance levels, with capacity for growth and a full year contribution from the CSF Proteins Melbourne rendering business. I remain confident of Ridley's future growth and ability to deliver value to shareholders.

John M Spark
Chair

I believe Australian agriculture is well positioned to take advantage of the ever increasing demand from Asia for protein from livestock.

Managing Director's Review

During a fact finding week in June in the San Joaquin Valley of California, often referred to as the 'food basket of the world', it was pleasing to observe that in many aspects of the Ridley AgriProducts operations, we are aligned with the world's best practices and technologies.

Tim Hart
Managing Director and
Chief Executive Officer

In the first six weeks since my 2 April 2013 appointment, I managed to visit most of the Ridley sites across Australia, inspect the facilities and meet local Ridley management and personnel. During this time I also met many of our larger customers, our largest shareholders, and most of the market analysts who currently cover Ridley. Whilst I have been impressed with what I have seen and heard, I believe there are significant opportunities for modernisation of our facilities and for the centralisation of certain operations into what can become centres of excellence.

During a fact finding week in June in the San Joaquin Valley of California, often referred to as the 'food basket of the world', it was pleasing to observe that in many aspects of the Ridley AgriProducts operations, we are aligned with the world's best practices and technologies.

Not having effectively taken the reins until the last six weeks of the financial year, the commentary that follows is a historical account of the events of the year together with my initial thoughts on the outlook for the future. An update on Ridley strategy will be provided as part of my address at the 2013 Annual General Meeting in November.

Safety

As an organisation, and absolutely consistent with my personal focus, Ridley remains committed to safety, and to making sure that all tasks performed in the workplace by ourselves and our contractors, suppliers and customers are conducted in a safe and respectful manner. We recognise that there are workplace hazards in our operating businesses, and our collective duty is to ensure that appropriate safety systems and physical safeguards are designed and implemented at all times to manage those risks.

To measure our progress in respect of safety improvements we adopt a number of performance indicators which are reported at site, management and Board meetings. Near misses and incidents are reported and investigated, solutions developed and remedial actions taken to prevent a recurrence not only at that site, but also other sites capable of experiencing a similar event.

The Long Term Injury Frequency Rate, or LTIFR, measured as the number of injuries incurring lost time for every million hours worked, was 3.65 in FY13. This is another encouraging decrease from the 4.46 recorded in the prior year. The Total Recordable Frequency Rate, or TRFR, represents our total injury rate and decreased significantly to 8.21 in FY13 from the prior year's 16.8.

Safety is a culture and a journey that we are committed to throughout the organisation. Through a process of continuous improvement, we endeavour to progress towards our long term goal of zero workplace safety incidents.

Core business operating performance for the 2013 financial year (FY13)

The FY13 consolidated result includes a number of acquisition and divestment related costs, impairments and other non-recurring transactions which need to be segregated and itemised in order to comprehend the underlying result for the year. Furthermore, there are the added complications of eight months of operating result for the Cheetham Salt business minus the loss on its disposal, and of the incremental second half year earnings from the rendering business acquisition made on 31 December 2012. The financial impacts from these activities have been detailed in the Financial Review section of this Annual Report.

The FY13 Ridley AgriProducts core business result after tax of $28.1 million is consistent with the 22 March 2013 trading update, slightly exceeds the last year's result of $27.2 million, and is the second highest on record.

The Ridley AgriProducts operating result has been boosted by the six month contribution from the acquisition of CSF Proteins Melbourne, the largest rendering business in Victoria, located on a 6.9 hectare site at Laverton, approximately 14km west of the Melbourne Central Business District. This business has managed to achieve its financial acquisition target for the period despite being adversely impacted in the first three months of Ridley ownership by the closure of the poultry meal export markets following an outbreak of Avian Influenza in Newcastle, NSW.

The breadth and diversity of the major operating sectors for Ridley AgriProducts continue to provide a diversification and counterbalancing of risk that underpins a stability of operating result and eliminates the extreme highs and lows that would arise if every sector was at the same point in an economic cycle.

Starting the year on a cyclically low base, the Dairy sector was soon adversely affected by utilities, transport and raw material cost increases, coupled with the continuing high Australian dollar and falls in the farm gate milk prices. The combination of these influences caused a sharp downturn in dairy farmer sentiment in the middle of the year and a commensurate cut back in Dairy sales volumes and margins.

Sentiment in the Dairy sector has recently started to improve, with successive milk price rises in the fourth quarter and the recent fall in the Australian dollar uplifting the outlook for the coming year.

2013 Highlights

- Improvement in safety performance
- Acquisition of Victoria's largest rendering business
- Successful divestment of Cheetham Salt
- Dedicated focus and clear direction in agribusiness

Furthermore, the new Pakenham mill is delivering the business case cost reductions to improve the margin outlook for FY14 despite increased competition amongst the stockfeed participants as they chase volume throughput for their mills.

Whilst Ridley's 2013 financial year outlook for its Aqua-Feed sector was conservative given the major domestic competitor's need to secure volume for its new Tasmanian mill, the lifting of the dog food production restriction at the Inverell joint venture site facilitated a restructure of the Ridley Aqua-Feed operations. The suboptimal dog and aqua feed production arrangement caused by the former restriction was remedied during the year with all dog food production switched to Inverell, outsourcing of the production shortfall terminated, and all aqua-feed production returned to the Aqua-Feed headquarters at Narangba, Queensland.

Despite recording lower volumes than last year following the decision not to renew the Tassal supply agreement, the combination of lower production costs, improved operating shift arrangements and stable underlying salmon volumes has generated a positive margin improvement for the year.

The prior year acquisition of the LNT business and consolidation of the Supplements operations around the Townsville operation has focused the service offering to the higher volume, more reliable northern Queensland market. After successive years of losses, the restructured business has generated positive earnings for the year and is well placed to achieve its targeted return next year following a more traditional dry season in the north of Australia.

The contribution from the Camilleri Stockfeeds business in NSW has again been solid, and would have been higher had the NSW outbreak of Avian Influenza not suspended access to many of the poultry meal export markets. The acquisition on 31 December 2012 of Victoria's leading rendering business provides synergistic opportunities and critical mass, as well as a mammalian processing facility not currently available at the Camilleri Stockfeeds operation in NSW. The Victorian business has been renamed and is trading as CSF Proteins Melbourne.

Improvements in the pig and poultry (Monogastric) sectors over the same period last year have been offset by declines in the Packaged Products sector. With Ridley inherently holding long positions in its critical raw materials, the Monogastric sector benefited in the first half year whilst the short term inelasticity of selling prices throughout the retail stores networks adversely impacted the Packaged Products business in the same period of rising raw material prices.

Property realisation

The processes for the redevelopment of the Dry Creek property have commenced following the 30 June 2013 termination of the salt supply agreement for that site. A formal closure plan has been activated by Ridley to prepare the site for redevelopment whilst it concurrently manages the process of securing the approvals necessary to turn the site into a master planned community. The Dry Creek site and adjacent Ridley landholdings to the north represent a unique opportunity for Adelaide, and we are working with the South Australian Government to demonstrate the commercial viability of the indicative designs for a master planned community of approximately 10,000 dwellings.

A significant amount of work has been undertaken with all stakeholders to understand the redevelopment potential of the Moolap site. Positive responses have been received to date with regard to the planning approvals process and the concept of creating a major urban renewal project for the region. Discussions with the Victorian State Government on the future of the Crown land at Moolap are continuing and when favourably concluded, will facilitate commencement of the formal rezoning process and Environmental Effects Statement study.

A broad range of long and short term opportunities continues to be examined at the Lara salt field site located near Geelong in Victoria, on the opposite side of Corio Bay to the Moolap site.

The former salt field at Bowen has been reclassified as an investment property at balance date, whilst the former feed mill at Dandenong has been demolished and the site cleared. The site is in close proximity to the centre of Dandenong, is currently being actively marketed, and is reflected in the balance sheet as an asset held for sale.

Dry Creek compensation

The formal agreement reached with Penrice in respect of compensation payable to Ridley in consideration for the early termination by Penrice of the long term take or pay contract to supply brine from Dry Creek was announced on 28 June 2013. Under the agreement, and subject to formal approval from Penrice's financiers, for a period of 10 years commencing on 1 July 2013, Ridley will receive an annual benefit of at least $0.5 million through a combination of commercial arrangements.

In addition to the annual benefit, Penrice granted Ridley an option over 4.5 million tonnes of landfill product at the Penrice Angaston mine in South Australia which can be used by Ridley in the redevelopment of its Dry Creek site (if that use proves to be a cost effective landfill solution). Ridley and Penrice have further agreed to equally share the gross profits from any sales of landfill product from the Angaston mine to major construction projects in excess of 100,000 tonnes per annum during the 10 year term of the compensation agreement. Ridley can exercise its option over the 4.5 million tonnes of landfill at any time during a 10 year period and at zero cost, although Ridley shall be responsible for the transport cost and pay Penrice an agreed arm's length rate per tonne for truck or rail loading at the Angaston site.

In order for Ridley shareholders to participate in any value upside following Penrice's business reconstruction, Penrice has issued Ridley an option, exercisable over a five year period, to be issued 16,122,621 ordinary shares in Penrice, representing 15% of the current issued capital in Penrice. Appropriate reorganisation and anti-dilution principles have been included as part of the terms of the option to adjust for Penrice capital structure changes before the exercise of the option. The exercise price shall be 7 cents per share, being approximately 100% of the Volume Weighted Average Price (VWAP) of Penrice shares for the 10 business days leading up to and including 27 June 2013.

The compensation arrangements give Penrice every chance of becoming a long term sustainable operation under its new joint venture arrangements and also delivering value to Ridley shareholders that would otherwise have been lost in the event Penrice could not continue as a going concern.

Our people

During the year, a number of new personnel have been welcomed into the business, including myself and all the employees of the Laverton rendering business. We have also bid farewell to our Cheetham Salt colleagues effective from the end of February 2013. Just before year end, we consolidated our head office into a single floor within the 565 Bourke Street location.

During my site visits I have observed Ridley employees to be passionate and proud, innovative and resourceful, and resilient whilst also being open to change. I am encouraged by the quality and loyalty of our people and will endeavour to provide them with a working environment where these attributes are encouraged and performance duly recognised.

Ridley has made further progress during the year with regard to its Diversity Policy, remains focused on improving Ridley's talent pipeline, and on providing an environment where women in the Ridley workforce are encouraged and able to reach their career aspirations.

The emerging leader and leadership programs introduced last year, together with the mentoring and networking training, have proven to be successful and to provide opportunities for career progression for all staff within Ridley.

The paid parental leave scheme to eligible employees to complement the Government Scheme has been successful in returning two out of three new mothers to the workforce.

More details of each of these initiatives are provided in the Our People section of this 2013 Annual Report.

Our communities

As a proud supporter of Australian businesses, suppliers and primary producers, we are increasingly looking to give something back to our regional communities. We have partnered with the Garvan Institute and Aussie Helpers on three year arrangements to share important messages about health and wellbeing and provide support to farmers by way of both monetary and physical assistance.

Outlook

The commissioning of the new Pakenham mill prior to Christmas 2012 marked a milestone for Ridley by being the first new mill constructed by the Company since 1997. This mill provides an excellent platform to target new volumes in the Gippsland dairy heartland and in Tasmania which, when coupled with a continuation of the recent uplift in Dairy sector sentiment, are expected to deliver a positive earnings recovery in FY14. We have also learned from the construction process and are confident in our ability to effectively construct new mills in other locations as part of a long term feedmill modernisation and growth program we are planning to embark upon in the coming year.

The additional rendering capacity provided by the newly acquired Laverton facility provides not only a critical mass and flexibility not otherwise available through a single site operation based in Sydney, but also entry to the mammalian meal market not serviced from Maroota. A significant capital expenditure program commenced in FY13 and to be concluded in FY14 will improve safety, efficiency and capacity at the Laverton rendering site, which delivered its earnings acquisition metric despite the closure of many of the poultry meal export markets in the six months from 1 January 2013. The additional six months of earnings associated with a full year of ownership will automatically flow through into the FY14 result.

The FY14 outlook for Ridley AgriProducts in its other operating sectors is for steady improvement and although FY13 earnings clearly did not reach our expectations, a significant amount of effort continues to be expended to provide a more robust business in the future.

It is expected that the higher FY14 costs of advancing the property development approvals may be offset by piecemeal sales of various parcels of land north of the former Dry Creek salt operation, whilst the wind down of the Dry Creek operation will be supported by the $0.5 million of annual revenues receivable under the Penrice compensation agreement.

In addition to organic growth opportunities, we will continue to actively pursue acquisition opportunities of the right type and at the right price.

My thanks go to former Managing Director John Murray, management and employees for their dedication and hard work as is evident from the achievements of the year. My thanks also go to the Board for its faith in appointing me to lead this great company forward to focus on being Australia's premier supplier of nutrients, ingredients and feed for the safe and sustainable production of food from livestock. I share the belief that with dedicated focus and clear direction, we are well placed to take advantage of organic growth and consolidation opportunities and to deliver strong and reliable performance in the years to come.

Tim Hart
Managing Director and
Chief Executive Officer

Consolidated sales revenue for FY13 was $716.3 million (2012: $635.8 million), 12.7% or $80.5 million up on the prior year equivalent.

Financial Review

Ridley has reported EBIT from continuing operations and before non-recurring costs for the year of $23.9 million, a slight increase on the $23.2 million prior year equivalent.

Alan Boyd
Chief Financial Officer
and Company Secretary

After accounting for non-recurring, pre-tax write downs, impairments and transaction costs of $37.2 million, Ridley Corporation Limited (Ridley) has recorded a consolidated loss after tax of $21.7 million for the year ended 30 June 2013 (FY13).

The profit and loss summary with a prior period comparison provided in Table 1 below and Table 2 on page 14, and the cash flow information provided in Table 3 on page 16, have each been sourced from the audited accounts but have not been subject to separate review or audit. The Directors believe that the presentation of this non-IFRS financial profit and loss and cash flow summary is useful for the users of this document as it reflects the significant results of the business.

Operating result

As advised to the market on 22 March 2013, the operational performance for FY13 was affected by a number of headwinds, including continued price pressure in the dairy industry, ongoing reductions in the use of compound feed by dairy farmers, over-supply and fierce competition in the Packaged Products sector, and ongoing restrictions on rendered product exports to certain Asian countries arising from an Avian Influenza outbreak. On a positive note, both rendering businesses performed satisfactorily in all other respects, and there was an increase in broiler placements which flowed through in the second half year. The Aqua-Feed division performed above expectations and the reopening of the export markets in Thailand and Vietnam for poultry meal improved the rendering operations in the fourth quarter. In the March release, we advised that the subdued trading conditions were expected to constrain Ridley AgriProducts' full year Earnings Before Interest and Tax (EBIT) to a level similar to the $27.2 million recorded in the 2012 financial year.

For the year ended 30 June 2013, Ridley AgriProducts has recorded an EBIT of $28.1 million, its second highest result on record, almost $1 million ahead of the guidance and within a Ridley consolidated EBIT from continuing operations of $23.9 million before non-recurring costs.

The full year consolidated EBIT includes Ridley Corporate costs of $5.7 million and property realisation costs of $1.9 million, whilst the eight month contribution from Cheetham Salt prior to its 28 February 2013 divestment is separately reported in the profit and loss within the $5.1 million loss from the discontinued operation.

Sales revenue and gross profit (excluding Cheetham Salt)

Consolidated sales revenue for FY13 was $716.3 million (2012: $635.8 million), 12.7% or $80.5 million up on the prior year equivalent. Gross profit was $56.4 million, $1.0 million above last year's $55.4 million equivalent.

Table 1

Results summary	**2013 A$'000**	Restated 2012^ A$'000	**Percentage Change^**	2012# A$'000
Sales revenue	716,318	635,792	12.7%	734,695
Gross profit	56,418	55,405	1.8%	74,636
Profit/(loss) before tax – continuing only	(21,009)	13,472	(255.9%)	26,355
Profit/(loss) after tax – statutory total	(21,694)	7,348	(395.2%)	19,253

^ Comparative numbers restated to exclude Cheetham Salt.
# Comparative numbers include Cheetham Salt.

Table 2 Profit and loss account in $ million	2013	Restated 2012^	Movement
Earnings from operations before finance income and expense and tax expense (EBIT):			
– Ridley AgriProducts	**28.1**	27.2	0.9
– Corporate	**(5.7)**	(6.7)	1.0
– Property Realisation	**(1.9)**	(0.7)	(1.2)
– Salt (Dry Creek)#	**3.4**	3.4	-
EBIT from operations before non-recurring costs and discontinued operation	**23.9**	23.2	0.7
– Net finance costs	**(7.7)**	(9.3)	1.6
– Income tax expense (excluding non-recurring transactions and discontinued operation)	**(4.3)**	(6.1)	1.8
Net profit from continuing operations after tax before non-recurring costs	**11.9**	7.8	4.1
Other, Non-recurring costs incurred:			
– Write off of Dry Creek goodwill	**(5.0)**	-	(5.0)
– Impairment of Dry Creek salt fields	**(14.7)**	-	(14.7)
– Write off of Dry Creek fixed assets and inventory	**(14.3)**	-	(14.3)
– Transaction costs – rendering business acquisition	**(3.2)**	(0.4)	(2.8)
– Tax effect of non-recurring transactions	**8.7**	-	8.7
Reported net (loss)/profit from continuing operations	**(16.6)**	7.4	(24.0)
Discontinued operation	**(5.1)**	11.9	(17.0)
Reported net (loss)/profit	**(21.7)**	19.3	(41.0)
Earnings per share (cents):			
(i) continuing	**(5.4)**	2.4	7.8
(ii) reported	**(7.0)**	6.3	(13.3)

^ FY12 restated to reclassify Cheetham Salt result and tax expense ($1.0 million) as discontinued operation.
# Excludes the costs of restructuring which have been separately reported.

Corporate and property realisation costs

Corporate costs of $5.7 million are $1.0 million lower than the prior year comparative due to the share-based payment expense relating to the Rights issued under the May 2012 Special Retention Plan being reported as part of the profit from the discontinued operation.

Property realisation costs of $1.9 million are $1.2 million higher than the prior period due to an increase in consulting and advisory activity for the Dry Creek, Moolap and Lara sites which were transferred from Cheetham Salt to Ridley ownership during the year.

Salt

The $3.4 million of earnings from Salt reflect a full year's operation for the Dry Creek salt field in servicing the Penrice salt supply agreement which terminated on 30 June 2013. Termination costs are separately reported below within the non-recurring costs for the year.

Net finance costs

The net finance costs of $7.7 million are $1.6 million lower than the prior period (2012: $9.3 million). The reduction reflects progressive lowering of the official interest rate during the year partially offset by the incremental three month bridging finance cost associated with the c.$80 million outlay on 31 December 2012 to acquire the CSF Proteins Melbourne rendering business. Upon receipt of the Cheetham Salt divestment funds on 28 February 2013, a mandatory $80 million of bank debt was retired, with the balance of the proceeds applied to lower the net borrowing position.

Income tax expense

The tax payable on the profits of the Cheetham Salt business prior to its divestment were calculated as being $1.4 million as at the date of exit, and this is reflected in the discontinued operation note (note 4). A taxable loss of $7.1 million was generated on the actual divestment and added to existing brought forward capital losses not brought to account.

The write off of depreciable assets and inventory at Dry Creek prior to year end has contributed to a consolidated income tax benefit for the year of $4.4 million, comprising a tax benefit on Other, Non-recurring costs of $8.7 million and an expense on ordinary, continuing operations of $4.3 million.

Absent any event in the coming year that gives rise to a material difference between the tax and accounting treatment, the effective tax rate is expected to return to slightly below the prima facie tax rate of 30%.

Non-recurring costs – pre-tax Dry Creek goodwill, impairment, asset write offs and transaction costs

(i) $5.0 million – goodwill

The exclusion of the Dry Creek salt field from the Cheetham Salt sale process necessitated the write off (at 31 December 2012) of the $5.0 million of goodwill that arose on the original acquisition of the Dry Creek business.

(ii) $14.7 million – impairment

The highest and best use of the Dry Creek site was assessed at 31 December 2012 in the context of its uncertain operating future, and was determined to be as a property redevelopment. Based on an independent external valuation prepared using the existing site approvals, at the half year the Board adopted a carrying value for the Dry Creek site of $33.9 million, a value which was reaffirmed at year end.

An impairment charge of $14.7 million was recorded to write down the Dry Creek salt field asset to this value. A provision of $4.5 million was simultaneously raised to cover the anticipated costs for the closure of the site as a salt field and for preparation of the site for redevelopment. During the six months to 30 June 2013, a total of $0.6 million of closure costs had been incurred, thereby leaving a residual site closure provision balance of $3.9 million.

(iii) $14.3 million – fixed assets and inventory

The early termination of the salt supply agreement rendered much of the plant and equipment at the Dry Creek site redundant. Throughout the last three months of the financial year, management endeavoured to redeploy surplus assets or realise as much value as possible from sales thereof. A non-cash write off of $3.9 million was effected to write down the plant and equipment assets at 30 June 2013 to their recoverable amount.

After exploring all export sales avenues open to Ridley not otherwise closed under the non-compete clause of the Cheetham Salt divestment agreement, the sale of 180,000 tonnes of salt at Dry Creek to Cheetham Salt was contractually confirmed. The net realisable value of this salt is limited to an estimated $3 per tonne due to high transportation costs and the need to wash the Dry Creek salt prior to sale.

Except for this saleable tonnage, the remaining inventory at 30 June 2013 has been written down to zero, thereby generating a non-cash write down of $10.4 million.

(iv) $3.2 million – transaction costs

Aggregate transaction costs of $3.2 million were incurred during the year in the acquisition of the CSF Proteins Melbourne rendering business, including $2.4 million of stamp duty.

Aggregate transaction costs of $9.5 million incurred as part of the divestment of Cheetham Salt have been reported in note 4(a) to the accounts and separately reported in the overall result from the discontinued operation.

Discontinued operation

The contribution to the profit and loss arising from the discontinued operation comprising the part year ownership and ultimate sale of Cheetham Salt is an after tax loss of $5.1 million (note 4(a) to the accounts), and comprises the following three elements:

(i) The sale of the Cheetham Salt business was completed on 28 February 2013, such that the consolidated Ridley result for the year includes eight months of salt business operations. The eight month profit after tax contribution from Cheetham Salt is $7.0 million.

(ii) An accounting loss on the sale of Cheetham Salt of $0.9 million is reported based on gross sale proceeds of $150.0 million and the $150.9 million 28 February 2013 carrying value of the net assets sold. The capital loss on the sale of $7.1 million has not been booked as a tax asset.

(iii) Transaction costs of $9.5 million have been brought to account, and include the internal restructuring of the Ridley consolidated group to retain ownership of the Dry Creek operation and the surplus property assets at Bowen, Lara and Moolap.

(iv) The realisation of reserves has added a further $1.7 million of effective cost to the transaction.

Upon the sale of Cheetham Salt, a $7.5 million contribution to retained profits arose from the realisation of the residual Asset Revaluation Reserve balance not written back in the first half year.

Cash flow and working capital

The operating cash inflow for the year (after working capital movements and maintenance capital expenditure) was $54.3 million, an increase of $2.4 million from the $51.9 million recorded in the prior year.

Development capital expenditure figure for the year of $10.9 million (FY12: $10.6 million) includes $3.1 million of Cheetham Salt activity prior to its sale and $5.6 million for the completion of the new Pakenham mill. Depreciation and amortisation for FY13 increased to $17.8 million (FY12: $14.4 million), which includes $3.8 million for Cheetham Salt.

The Company has paid $3.6 million in tax instalments during the year and received refunds of prior year tax paid of $3.3 million for a net outlay of $0.3 million.

The total outlay on acquisitions for the period of $80.7 million includes the acquisition of the CSF Proteins Melbourne rendering business for $77.0 million plus working capital adjustments, as well as the acquisition of the Bartlett Grain tuna meal business for a total outlay of $1.4 million.

In addition to the net proceeds of $144.6 million from the sale of Cheetham Salt, the positive reduction in working capital of $26.4 million has been a secondary contributor to an overall $80.8 million reduction in net debt to $17.4 million at balance date.

Table 3

Cash flows for the year in $ million	30 June 2013	30 June 2012
EBIT from operations before non-recurring costs and discontinued operation	**23.9**	23.2
Net cash inflow from discontinued operation	**0.7**	12.9
Cash outflow from non-recurring transaction costs	**(3.2)**	(0.4)
Depreciation and amortisation	**17.8**	14.4
EBITDA	**39.2**	50.1
Movement in working capital	**26.4**	14.8
Maintenance capital expenditure	**(11.3)**	(13.0)
Operating cash flow	**54.3**	51.9
Development capital expenditure	**(10.9)**	(10.6)
Dividends paid	**(11.4)**	(22.9)
Net proceeds from sale of Cheetham Salt	**144.6**	7.9
Cash assets divested with Cheetham Salt	**(5.1)**	-
Net finance cost payments	**(8.0)**	(8.9)
Net tax payments	**(0.3)**	(4.9)
Acquisition of CSF Proteins Melbourne rendering business and Bartlett Grain (2012: LNT and Monds & Affleck businesses)	**(80.7)**	(6.9)
Share-based payments	**(2.1)**	(1.5)
Movement in other balance sheet items	**0.4**	(0.2)
Cash flow for the period	**80.8**	3.9
Opening net debt balance at 1 July	**(98.2)**	(102.1)
Closing net debt balance at 30 June	**(17.4)**	(98.2)

Balance sheet

Material movements in balances other than through the exclusion of the Cheetham Salt balances comprise a decrease in debt following the application of Cheetham Salt sale proceeds and an increase in goodwill.

The net increase in Intangible assets comprises $40.0 million of goodwill arising on the acquisition of the CSF Proteins Melbourne rendering business offset by the write off of the $5.0 million of Dry Creek acquisition goodwill. The balance of other movements relates to the acquisitions of the Bartlett Grain tuna meal importation business and the animal nutrition business offset by the exclusion of Cheetham Salt software balance.

At 30 June 2013, the Group has retained the classification of the former Dandenong mill as an asset held for sale given that a revised marketing campaign was launched prior to balance date which is expected to achieve a sale within the next 12 months. The Bowen site was withdrawn from sale during the year due to a lack of interest in the site and has consequently been reclassified as an investment property.

After excluding the removal of the Cheetham Salt balances, movements in property, plant and equipment primarily comprise the new mill constructed at Pakenham plus the fixed assets of the rendering business acquired on 31 December 2012.

Change in accounting policy

A new accounting policy was adopted on 1 July 2012 and has been applied retrospectively. The new accounting policy is that land and buildings are stated at cost or deemed cost less accumulated depreciation and impairment, whereas the previous accounting policy measured land and buildings at fair value, based on periodic, but at least triennial, independent valuations.

The Group considers that the change in policy will result in the Financial Report providing more stable, relevant and equally reliable information, leading to asset values which more accurately reflect the underlying reality of the transactions and events surrounding the sites, many of which are the cornerstone of remote rural communities.

The impact of the change in accounting policy is the reversal of the gross land and buildings balance in the Asset Revaluation Reserve of $17.2 million against the carrying value of the asset, with the reversal of the tax effect of $5.0 million applied to reduce the deferred tax liability balance. Other movements in the Asset Revaluation Reserve for the year are reflected in Table 4 on page 17.

The crystallisation of aggregate asset values through the Cheetham Salt divestment transaction also resulted in an after tax reversal of $18.4 million of the salt field Asset Revaluation Reserve balance against the carrying value of the salt fields. The residual salt field balance of the consolidated Asset Revaluation Reserve of $7.5 million at half year was transferred to retained profits upon completion of the Cheetham Salt divestment on 28 February 2013.

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Table 4
Asset revaluation reserve movements and balances – in $ million

	Gross	Tax	Net
Opening balance as at 1 July 2012	54.4	(16.3)	38.1
Change in accounting policy for land and buildings	(17.2)	5.0	(12.2)
Fair value reduction of Cheetham Salt salt fields inc. Dry Creek	(29.5)	11.1	(18.4)
Closing balance as at 31 December 2012	7.7	(0.2)	7.5
28 February 2013 transfer to retained profits on sale of Cheetham Salt	(7.7)	0.2	(7.5)
Closing balance as at 30 June 2013	-	-	-

Acquisitions

On 31 December 2012, Ridley acquired the rendering business assets of BPL Melbourne Pty Ltd (CSF Proteins Melbourne) and the associated Merino Street and Lincoln Street, Laverton properties, for a total purchase consideration of $77.1 million.

The fair values as determined by the Ridley Board of Directors following an independent review of plant and equipment and of land and buildings comprised $37.5 million of property, plant and equipment, inventory of $0.9 million, and tax effected employee benefits of $1.4 million. Goodwill of $40.0 million was consequently recorded after deducting the fair values from the purchase consideration.

In addition to the acquisition of CSF Proteins Melbourne, the Bartlett Grain tuna meal importation business was acquired during the year for a total outlay of $1.7 million, which gave rise to goodwill on acquisition of $0.7 million.

Segments

Operating segments increased in the year from two to three through the inclusion of an additional segment for Property Realisation, as Ridley continues to pursue value creation strategies for non-operating sites.

The ongoing salt segment is at Dry Creek, which is no longer producing salt following the termination of the Penrice salt supply agreement but has significant existing inventories of harvested salt and magnesium brine which are being progressively sold over the coming years under an arm's length contractual arrangement with Cheetham Salt. The Dry Creek site is concurrently being prepared for a future redevelopment as a residential community.

The ongoing reportable segments are now synchronised with the business as follows:

AgriProducts: Produces and markets stock and poultry feeds, aqua feeds, animal protein meals, vitamin and mineral supplements.

Salt: Dry Creek site.

Property realisation: Realisation of opportunities in respect of surplus property assets reflected either as assets held for sale or investment properties.

Risks

The following is a summary of some of the key operational risks facing the business and the way in which Ridley manages these risks:

- **Cyclical fluctuations** – by operating in several business sectors within the domestic economy, some of which have a positive or negative correlation with each other, Ridley is not dependent upon a single business sector and spreads the sector risk across a diversified portfolio.
- **Influence of domestic harvest** – unlike many other operators in Australian agribusiness, subject to the availability of raw material supply to its mills, Ridley is not commercially dependent upon the level of harvest. Through properly managed procurement practices and many of our customers retaining responsibility for the supply of raw materials, the impact of fluctuations in raw material prices associated with domestic and world harvest cycles is mitigated.
- **Influence of natural pasture on supplementary feed decision making** – whilst Ridley cannot control the availability of natural pasture, it believes there is a compelling commercial justification for supplementary feeding in each of its sectors of operation, whether that be measured in terms of milk yield and herd wellbeing or feed conversion ratios in poultry and aqua-feed.
- **Impact on domestic and export markets in the event of disease outbreak** – Ridley has a strategy of mill segregation in place to effectively manage its own risk of product contamination across the various species sectors. Ridley also has an extensive footprint of mills dispersed across the eastern states of Australia that provides a geographical segregation of activities. The risk to Ridley is therefore more of a market risk such as what happened in FY13 with an outbreak of Avian Influenza which effectively closed the export markets for poultry meal products.
- **Customer concentration and risk of regional consolidation** – Ridley endeavours to enter into long term supply contracts with its suppliers to provide the surety of volumes required to plan appropriate shift structures, procurement and supply chain activities, and capital expenditure programs.

Earnings per share

The underlying earnings per share of (7.0) cents per share ((5.4) cents for continuing operations only) reflects the FY13 financial impact of the non-recurring pre-tax write downs, impairments and transaction costs of $37.2 million against a stable equity platform.

Earnings per share	2013 Cents	2012 Cents
Basic earnings per share	(7.0)	6.3

Gearing

Movements between the opening and closing levels of gearing reflect the c.$80 million mid-year outlay to acquire the rendering business and subsequent application of Cheetham Salt sale proceeds. The capital return outlay of $23.1 million has been fully provided in the accounts at balance date but is a cash outlay in the 2014 year (FY14). Gearing is reported as debt to equity.

Gearing	2013 $'000	2012 $'000
Gross debt	**34,771**	105,379
Less: cash	**(16,936)**	(7,228)
Net debt	**17,835**	98,151
Total equity	**207,533**	278,371
Gearing ratio	**8.6%**	35.3%

Capital movements and return

The capital return of 7.5 cents per share as approved by Ridley shareholders on 24 June 2013 was paid to those persons recorded on the Ridley register as at 7.00pm on Tuesday 2 July 2013. The accounting entries associated with the return are to reduce shareholders' equity and increase group borrowings by $23.1 million. Although the payment was effected after year end, with no outstanding conditions attached to the payment, it was accrued for in full as at 30 June 2013.

A tax ruling has been received from the ATO advising that for all shareholders, no part of the proposed capital return will be treated as a dividend for income tax purposes. A copy of the ATO ruling is provided on the Ridley website at www.ridley.com.au

The capital return follows the FY12 final cash dividend payable of 3.75 cents per share, franked to 100% and paid on 30 September 2012. There was no FY13 interim dividend payable.

During FY13, a total of 2,244,183 (FY12: 1,216,418) shares were acquired by the Company on market for $2.1 million (FY12: $1.5 million) to satisfy the allocation of 1,403,057 (FY12: 675,560) shares to Ridley employees under the Ridley Long Term Incentive and Special Retention Plans and 841,126 (FY12: 540,858) shares were allocated under the Ridley Employee Share Scheme. There were no movements in issued capital during either financial year.

Dividend

In the 2011 and 2012 financial years, Ridley paid an annual dividend of 7.5 cents per share, which was fully franked in 2012 and unfranked in the prior year. Following the business restructure in the 2013 financial year, a capital return to shareholders was made in early July 2013 as noted above.

ATO Class Ruling CR2013/57, issued subsequent to balance date, has confirmed the tax treatment of the capital return for Ridley shareholders as outlined in the Notice for the General Meeting of Ridley shareholders held on 24 June 2013 to approve the capital return.

The Board has not declared a final dividend for the 2013 year and Ridley does not have a formal dividend policy. The Ridley Board will endeavour to adopt a consistent dividend profile in the future which reflects the earnings and cash flow conversion of the business and the growth opportunities prevalent and foreseeable at the time of dividend declaration.

Outlook

In addition to organic growth through a program of mill modernisation, Ridley intends to continue to actively pursue acquisition opportunities consistent with its long term strategy to be Australia's leading producer of premium quality, high performance animal nutrition solutions.

Alan Boyd
Chief Financial Officer and
Company Secretary


BARASTOC
QUALITY ANIMAL FEED

2013 Highlights

- New mill commissioned at Pakenham
- Critical mass and synergies in animal meals
- Stabilised aqua-feed business
- Positive earnings and outlook for supplements

Ridley AgriProducts Operating Result

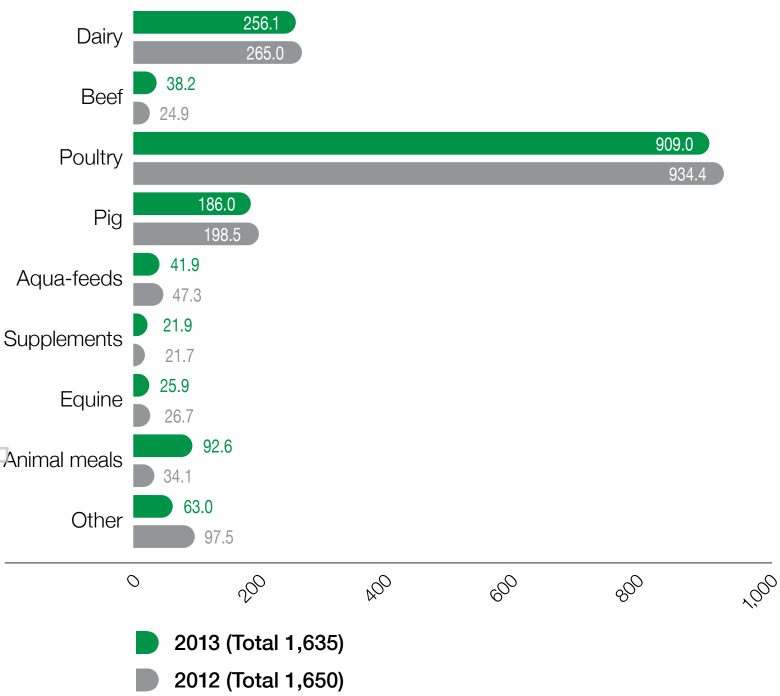
Ridley AgriProducts recorded an Earnings Before Interest and Tax (EBIT) of $28.1 million for FY13, up $0.9 million from the prior year's $27.2 million, and supersedes the prior year result as being the second highest on record.

The largest movements from the prior year are the inclusion of six months earnings contribution from the CSF Proteins Melbourne rendering business acquired on 31 December 2012 offset by the decline in dairy and Packaged Products sector earnings.

The turnaround of the Supplements business has been successful following the prior year restructure, with a positive contribution for the year and an outlook of sustainable profits. The Ridley Aqua-Feed business has rebounded positively from last year's result which was adversely affected by a number of extraneous events which were not repeated in the 2013 financial year. The rendering businesses at Maroota and Laverton have shown great resilience in the face of the second half year closure of export markets for poultry meal.

Overall sales for FY13 of $716.3 million were up $80.5 million (12.6%) on last year, and reflect 1.63 million tonnes of stockfeed sold, 15,000 tonnes down on last year. The following is a sector by sector analysis of performance for FY13 and outlook for FY14.

Australia feeds '000 tonnes



Tim Hart
Managing Director and
Chief Executive Officer

Sector performance

Poultry

After three successive years of volume growth, Ridley's Poultry sector sales tonnage (909,000 tonnes for the year) decreased by 25,400 tonnes as a result of a mid-year decline in overall bird numbers to correct an industry over-supply. Revenues for the year have increased by 9.0% to $351.6 million largely as a result of rising raw material prices in the first half year to price levels that were sustained throughout the second half. The relatively long positions in many primary raw materials improved the poultry margins recorded in the first half year compared to the second half when prices stabilised at the higher levels and positions were shortened accordingly.

Whilst the outlook is for continuing growth in aggregate domestic demand for lean white meat sourced from poultry products, there are some regional consolidations of bird concentrations currently in progress that may affect the spread of production volumes between individual Ridley feedmills.

The capital expenditure project at Wasleys in South Australia to expand the intake and storage capacity was successfully concluded during the year and further expansion may be required in the coming year to accommodate forecast growth in local bird numbers from our major clients in the region.

Ridley AgriProducts Operating Result continued

For the second successive year the expected volume increases at the Clifton site in Queensland failed to materialise and that operation is currently under a broader regional review to develop a sustainable solution for the South East Queensland region which currently services all Ridley sectors of operation other than Supplements.

Ridley expects the long term consumer growth trend and switching from red to white meat to continue, and remains well placed to service the major growth processing regions of South Australia, Victoria and South East Queensland.

Pig

Ridley's Pig sector has stabilised since the 2010 vertical integration of its largest pig customer and sales of 186.0kt were recorded for the year compared to $198.5kt in the prior year. The domestic Pig sector remains stable, and volumes and margins similar to the 2013 year are expected for FY14.

Ruminant – dairy, beef and sheep

The environment for the dairy farmer at the start of the year was one of increased utilities and transport costs, rising raw material prices, the prospect of a continuing high Australian dollar, an inelastic and inherently low milk price, and dwindling reserves of prior year silage and fodder. Many farmers were unable to resist the temptation to pull back strongly on their variable costs either knowingly or ignorant of the implications on milk production and the wellbeing of the dairy herd.

Despite the negative sentiment associated with the dairy farmer's perfect storm, a stronger than anticipated fourth quarter boosted sales tonnage to 320.2kt for the year, 3.6kt ahead of last year. Sales were boosted in this quarter by the sheep and beef sectors in NSW and Western and Northern Victoria, where the lack of pasture and fodder has been widely reported.

Throughout the year the Ridley Ruminant team has grappled with the volume versus margin equation and undoubtedly the full year tonnage volume has been recorded at the expense of some margin, as increased production and raw material costs were absorbed in order to maintain throughput and fixed cost recovery at the Ruminant mills. An operating loss for the year has been recorded which is approximately $2.0 million below last year's result.

A Dairy sector success story for FY13 has been the completion of the new Ruminant mill at Pakenham, which was commissioned in December 2012 and in the fourth quarter has been delivering against the performance metrics included in the capital expenditure approval. A full year of operation for this mill will contribute to an uplift in earnings in FY14. The Dandenong mill was able to be closed during the year and its production volumes transferred to Pakenham. The old mill has been demolished and the 1.3 hectare site rezoned to accommodate high density residential use and cleared in preparation for a sale process which commenced prior to balance date.

For FY14, there are positive signs of a renewed optimism within the industry following successive rises in milk prices and the weakening of the Australian dollar below parity with the US dollar. The outlook is for a return to profitability for Ridley's Dairy sector through a cyclical upturn which is likely to take the most part of FY14 and FY15 to return to the positive side of the cycle.

Rendering

The NSW poultry and fish rendering business acquired in 2011 continues to be a strong performer despite the closure of the poultry meal export markets midway through the year. With c.50% of the poultry meal product ordinarily being exported, the closure of the export markets floods the domestic market with poultry meal product, thereby creating significant downward pressure on prices and margins. A follow on effect in the meat and bone meal markets can also be felt due to product switching following any material shift in pricing relativity between mammalian and poultry meal products.

During the year, the $1.8 million capital upgrade project at the NSW Camilleri Stockfeeds site was completed and this relieves the production constraints that have existed at that site for the past two years. The management team can now actively look to develop new sources of raw material input for processing at the plant.

Whilst certain of the poultry meal export markets have reopened, the prime product destinations of China and Indonesia remain closed at the present time, with the likely prospect of being reopened at an unpredictable stage during FY14. Provided there are no more instances of overseas market closure, the FY14 prospects for both rendering businesses are strong, with additional value to be created upon the reopening of the currently closed Indonesian and Chinese poultry meal markets.

Packaged Products

The Packaged Products sector was adversely affected by the increases in raw material prices in the first half year that were not able to be passed on to the consumer through the retail outlet pricing mechanisms which are lagged by up to six months.

The highly competitive nature of this sector and the reliance on mill volume throughput by all industry participants restricts the ability to pass on cost increases most notably experienced in the year in raw materials, utilities and transport rates. Maintaining a full year sales volume at the same level as the prior year has come at the expense of margin.

A new sales and marketing team is injecting new ideas and rigour into this business where loyal customers continue to demonstrate strong brand allegiance which is expected to support a modest improvement in earnings in FY14.

Supplements

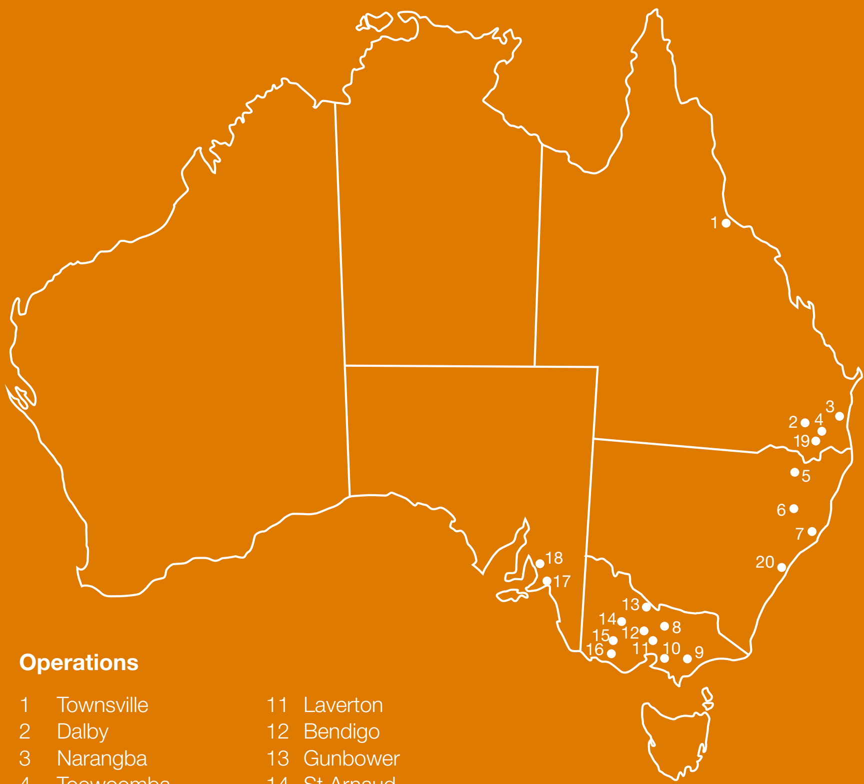
The prior year exit of the southern Queensland region to concentrate the service offering from Townsville to the higher volume, more reliable northern Queensland market has proven to be a sound decision, with a solid contribution to earnings for FY13 and a slightly improved outlook for the coming year given the prospect of a more traditional seasonal cycle.

Aqua-Feed

The prior year performance of Ridley Aqua-Feed (Aqua-Feed) suffered from a number of adverse events and factors which did not recur in FY13. Furthermore, the restructuring of the Aqua-Feed business afforded by the lifting of the dog food production ban at Inverell and the additional Tassal volumes recorded prior to termination of the supply agreement to that entity have lifted earnings from the five year low recorded in FY12.

The Australian salmon industry is expected to remain in a state of production overcapacity for the foreseeable future until the forecast growth in salmon volumes starts to rebalance capacity with demand. Long term allegiances have been established and contracts executed during the year to stabilise the aqua-feed salmon volumes in the years ahead whilst the threat to domestic prawn feed production is from imported feed from Asia.

The Aqua-Feed division continues to oversee a number of research and development projects designed to provide an innovative competitive edge in feed conversion and provide a continuing compelling commercial case for its products in its highly competitive markets.



Operations

1	Townsville	11	Laverton
2	Dalby	12	Bendigo
3	Narangba	13	Gunbower
4	Toowoomba	14	St Arnaud
5	Inverell	15	Noorat
6	Tamworth	16	Terang
7	Taree	17	Murray Bridge
8	Mooroopna	18	Wasleys
9	Maffra	19	Clifton
10	Pakenham	20	Maroota

R&D and innovation

Ridley's reputation has been well established over a long period of time as being Australia's leading supplier of high quality animal nutrition solutions, with a product range that has been scientifically formulated to ensure optimal animal health and performance and with an appropriate segregation of mill activities to minimise the risk of contamination.

At Ridley, we are very aware of the mounting pressures that continuing population growth will have on scarce resources, such as arable land for the growing of food and crops, and of the need to improve efficiency of feed conversion to provide an effective and affordable source of protein from livestock. We are continually looking for research programs which can contribute to Ridley maintaining and improving its position as a critical supplier in the world's increasingly challenging quest for protein.

Outlook

The overall outlook for Ridley AgriProducts remains positive, with Aqua-Feed now stabilised, and with Dairy and Packaged Products expected to benefit from the new Ruminant mill plus a return to more traditional seasonal patterns. The restructured Supplements business is well positioned to generate sustainable profits, even in a year of unfavourable seasonal conditions, with significant upside existing in conditions favourable to supplementary feeding across northern Australia. The growth trend for Poultry is expected to continue and we remain well positioned to be an integral component of the regional concentration of bird numbers required to generate such growth.

Property Development

Ridley has been pursuing a strategy to unlock the value from its significant property portfolio across Australia, with a focus on former salt field and feed mill properties which are now surplus to the operational requirements of the business.

Stephen Butler
Property Development Manager

As part of its property strategy, during the prior year Ridley created a new wholly owned subsidiary, Ridley Land Corporation Pty Ltd, as a dedicated vehicle to hold assets with longer term value, including the assets located at Dry Creek, Moolap, Lara and Bowen. This new company structure, together with a separate reporting segment for property related activity, provides Ridley with greater agility and opportunity to effectively deal with these property assets and realise the redevelopment upside for its shareholders.

Long term value creation strategies have been focused on key salt field sites in Victoria and South Australia, including the non-operating salt fields at Lara and Moolap in the Geelong region of Victoria, and the salt fields at Dry Creek in South Australia, which were retained by Ridley after the sale of Cheetham Salt in the year and are now in the process of being permanently closed.

Ridley has developed a clear strategy aimed at adding value to these larger property holdings. The strategy is to secure the rezoning and development approvals necessary to facilitate future redevelopment for residential, commercial or industrial use, whichever can deliver the highest net return for shareholders over time. Whilst the opportunities to increase the value of these sites are significant, the planning and development approval processes are complex, and are likely to take several years to complete. Ridley has consequently taken a longer term view towards realisation of these properties, whilst also pursuing a shorter term strategy for other surplus assets which have a more immediate sale potential.

Dry Creek

In FY13, Ridley concluded the sale of its Cheetham Salt business and through this process retained ownership of the Dry Creek operating asset, mining leases and all freehold land. During the year Penrice announced its intention to cease the production of soda ash from its Osborne plant effective on 30 June 2013, and advised Ridley that it would no longer require the supply of salt from Dry Creek under the long term salt supply agreement. On 28 June 2013, both entities announced the termination of the salt supply agreement, and supply of brine from the Dry Creek site to Penrice duly ceased on 30 June 2013.

In the last quarter of the financial year, Ridley investigated and exhausted opportunities to continue salt production from the Dry Creek site for sale into export markets, being the only markets open to Ridley under the Cheetham Salt sale non-compete clauses. Neither a commercially feasible nor a cash positive solution was able to be found, and accordingly, the production of new salt at the site has now permanently ceased. During this same period, Ridley developed a site closure contingency plan which has now been fully activated to effect permanent closure of the fields. An agreement with Cheetham Salt has been finalised that will see the sale of 180kt of the existing harvested salt stockpiles on the Dry Creek site over the next three years.

Given the commencement of the salt field closure process, Ridley is now in a position to make the Dry Creek land available for divestment or redevelopment, and has commenced initial discussions with the South Australian Government and other stakeholders. Given the site's proximity to the heart of Adelaide and inclusion within the South Australian State Government's 30 year plan for the Greater Adelaide region, Ridley believes that redevelopment of the site will deliver considerable uplift in the value of the site.

Previous investigations with Delfin Lend Lease in the 2008 and 2009 financial years indicated that redevelopment of the southern end of the salt fields at Dry Creek would be commercially viable based on an indicative design as a Master Planned Community of approximately 10,000 dwellings. At that time, Ridley announced it would not proceed with the next stage of the investigations because of the contractual commitments to Penrice under the salt supply agreement.

The closure of the Dry Creek salt fields presents a significant strategic planning opportunity for the City of Adelaide as the salt fields and adjoining lands occupy both Crown land and over 5,000 hectares of Ridley freehold land extending some 50km north from Dry Creek. The potential for redevelopment of this corridor for a range of land uses is significant, and Ridley is working closely with the South Australian State Government to develop and agree an appropriate strategy to achieve site closure and rehabilitation.

Final closure of the Dry Creek salt fields is expected to take several years to complete, and Ridley has engaged expert consultants to assist with the design, approvals, implementation and monitoring programs. A closure provision

2013 Highlights

- Unique opportunities for Greater Adelaide
- Activation of Dry Creek closure plan
- Moolap progressed to EES and rezoning
- Lara, Bowen and Dandenong available for sale

of $4.5 million was established at 31 December 2012 and applied against the $33.9 million Dry Creek salt field valuation to derive a net carrying value for the site of $29.4 million as reported at the half year. During the six months to 30 June 2013, $0.6 million of this provision has been applied against initial closure activities, leaving a residual closure provision balance of $3.9 million at 30 June 2013.

Ridley holds over 2,800 hectares of vacant rural land located north of the operating salt fields and carried at a nominal value for accounting purposes. This land was acquired as contingency land, has never been used as part of the salt field operations, is unencumbered and able to be sold. Ridley has commenced the process for the sale of this patchwork of land titles and whilst the land is generally agricultural rather than developable, divestment of the first of these extensive landholdings is likely to generate proceeds in the coming year.

Geelong salt fields urban renewal project

In 2011, Ridley began investigating redevelopment opportunities for the former Cheetham Salt salt field site at Moolap in Victoria. Preliminary technical investigations, concept designs and feasibility analyses were undertaken, and extensive consultations held with relevant Government agencies. With a positive outlook from this work, Ridley determined that it would progress into the next stage of investigations, and in December 2012 lodged a formal application to the Victorian State Planning Minister to determine whether the 'Geelong Salt Fields Urban Renewal Project' would require an Environmental Effects Statement (EES) under the Environment Effects Act 1978.

The Minister determined in January 2013 that an EES would be required for the Moolap project, and Ridley has started preparing the EES, a process which will include undertaking the required technical investigations, detailed urban design, master planning and community consultation. A Planning Scheme Amendment (rezoning) will also be required, and this process will run concurrently with the EES. It is expected that an outcome on these processes can be achieved within two years from commencement.

The Moolap site comprises a mix of freehold land owned by Ridley and Crown land held under a long term lease. Ridley is in discussions with the Victorian State Government with regard to the future of Crown land at the site and expects that these discussions will conclude during the first half of FY14. The EES and rezoning processes will commence upon conclusion of these discussions.

The Moolap site occupies a unique strategic position in Geelong with north facing frontage to Corio Bay, and is located within 3km from the Geelong Central Business District. The Geelong region is experiencing considerable population growth and is set to benefit from the renewed Government focus on investment into regional areas in Victoria. Ridley considers there to be a considerable opportunity for the site to be rezoned and redeveloped for a master planned community comprising residential, employment, community and conservation based activities.

A significant amount of work has already been undertaken to understand the redevelopment potential of the Moolap site. This work includes discussions with the wide range of Government stakeholders involved in the planning approvals process, and Ridley has been pleased with the overall positive response received to date. It is evident that an urban renewal project at the site could provide significant benefits for the Geelong community, importantly the creation of short and long term employment as well as providing for the long term protection of the site and adjacent areas from rising sea levels associated with climate change. There would also be significant environmental benefits occurring as a result of the establishment of protected wetland areas not only at that site but also through the provision of environmental offsets at Ridley's site at Lara, on the opposite side of Corio Bay.

Ridley has developed a preliminary Master Plan and project feasibility, which indicates that development of the site could feasibly be achieved. The Master Plan is based around redevelopment of the site for approximately 155 hectares of residential, 80 hectares of employment and 10 hectares of mixed use development. Significant areas of land have also been set aside for conservation, recreation and public use purposes.

During the year, Ridley commenced discussions with potential joint venture development partners. A private Expression of Interest process was held and a range of submissions were received which presented varying value propositions and commercial structures. Negotiations have progressed with shortlisted parties and Ridley is working towards finalising a commercial agreement with a preferred partner in FY14. It is Ridley's intention to select a respected developer partner with a proven track record in delivering master planned communities, and who will subsequently add significant value to the design and planning approvals processes.

Independent valuation work undertaken by Ridley's advisors, Ernst and Young, indicates that a significant uplift in land value will be achieved once planning and environmental approvals have been received for the Moolap project.

Lara

Ridley's 912 hectare property at Lara adjacent to Avalon Airport is located within a future employment corridor nominated by the Victorian State Government's planning blueprint 'Melbourne @ 5 Million', and as such is set to directly benefit from proposed expansion within the area surrounding the airport.

Avalon Airport announced in FY13 that international flights could soon be operating out of Avalon Airport after the Federal Government announced it had amended the airport's lease from domestic-only to international status. The amendment means that Avalon will become the state's second international airport and its expansion will create significant opportunities for the establishment of airport-related industrial use and support businesses. Other infrastructure developments currently being investigated, including the development of the $250 million rail link to Avalon Airport, will further strengthen strategic opportunities in the region.

Preliminary planning and technical investigations have been completed for the Lara site which indicated that a large portion of the land has redevelopment potential for employment and airport-related uses. Whilst Ridley considers that this opportunity will create significant value for shareholders over the longer term, it will continue to explore shorter term commercial opportunities for the site.

The southern end of the Lara site located towards Corio Bay is being set aside by Ridley to provide for any environmental offsets that may be required as part of redevelopment of Ridley's Moolap site. Through the offset, this land is an important strategic asset in relation to achieving planning approval at Moolap, and will also create a significant environmental asset for the Geelong region once rehabilitated.

Bowen

The former salt field site located at Bowen in Queensland's Whitsunday region was retained by Ridley after the sale of Cheetham Salt, and is no longer commercially viable as an operating salt field. The site is a mix of freehold and Crown land with coastal frontage, and Ridley has been pursuing divestment opportunities for its 34 hectares of freehold land.

The Bowen region is set for significant economic growth as a result of the proposed expansion of the Abbott Point port, which is located 25km north of Bowen, at the northern end of the Galilee and Bowen coal basins. The Port of Abbott Point is one of Australia's most significant emerging bulk ports and is undergoing a major transformation into a port precinct of global importance.

The Bowen township is expected to benefit from the Abbott Point port expansion and accommodate much of the forecast growth in residential and commercial development in the region. Ridley's landholdings are strategically located adjacent to the Bowen township with frontage to both the Bruce Highway and the coast. The site provides future opportunities for rezoning for either residential of industrial use, and whilst Ridley is pursuing divestment opportunities in the short term, divestment of the site at acceptable terms may take some time to complete. Activities to divest the Bowen site will continue in the coming year.

Dandenong

With the transfer of production volumes to the new stockfeed mill at Pakenham, the old mill at Dandenong was closed and decommissioned during the year. Ridley has been preparing the site for sale and has commenced a marketing and sales program for sale of the land.

The Dandenong site, which comprises 1.3 hectares in the heart of the municipality, was recently rezoned from 'Industrial' to a 'Comprehensive Development Zone (High Density Residential)'. The change of zoning of the site is part of local government's broader strategic plan to regenerate Dandenong's commercial hub and transform the city centre into a thriving activities district.

Ridley has completed demolition of all buildings at the site to prepare the site for sale, and is seeking to complete sale of the land during the coming year.

2013 Highlights

- Management remains focused on continuous safety improvements
- Alignment of risk management to national codes
- New initiatives in diversity and people development
- Community partnering with Garvan Institute and Aussie Helpers

Our People

Over the past year we have continued to make significant inroads in improving our approach to safety at all levels of the business, and we remain on our journey to develop a safety culture where continuous, progressive improvement is embedded and sustainable.

Anne-Marie Mooney
Group General Manager, Commercial

Safety

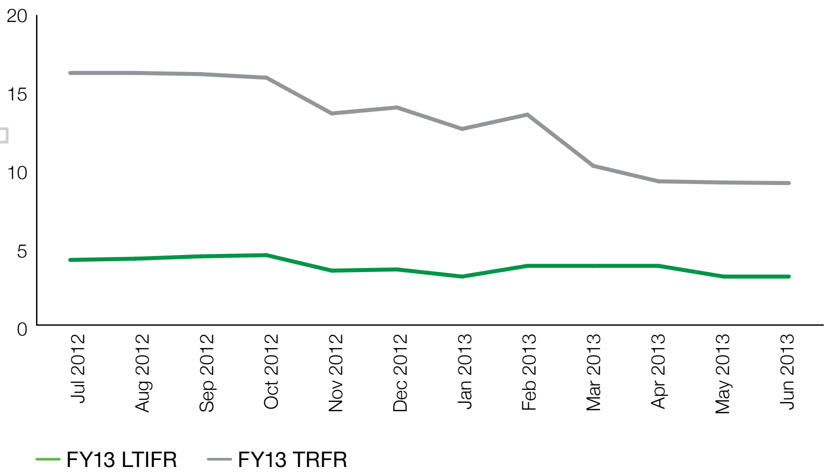
As a core value at Ridley, safety is critical to the way we do business. Our safety focus, which begins at Board and executive management level, is underpinned by three elements: embedding proactive safety behaviours, developing and implementing a safety management system, and finding engineering solutions for the physical safety hazards that are present in the manufacturing environment. Safety performance is rigorously monitored, reported to the executive team and the Board, and is a component of individual performance appraisal and management remuneration.

The key measures we use to assess safety performance are lost time injury frequency rate (LTIFR) and the total recordable frequency rate (TRFR). The LTIFR is the number of injuries incurring lost time for every million hours worked, whilst the TRFR is the sum of the number of medical treatment injuries that did not result in lost time plus the number of lost time injuries, per million hours worked.

As the following graph shows, LTIFR was 3.65, down from the 2012 result of 4.46. This represents an 18% decrease in the rate of incidents that resulted in lost time to the business. The TRFR, which represents our total injury rate, also decreased to 8.21, down from 16.8 in 2012, a reduction of 51%. These results once again represent a significant improvement.

Key drivers for the improvement in lowering injury rates across the business in 2013 have included our relentless focus on reducing injuries through the effective management of key hazards and risks in our workplaces and the emphasis placed on training to improve skills, capability and engagement. As we continue to strive towards our long term objective of zero injuries, we will maintain our focus on these key drivers.

Group injury frequency rates FY13



Over the past year we have continued to make significant inroads in improving our approach to safety at all levels of the business, and we remain on our journey to develop a safety culture where continuous, progressive improvement is embedded and sustainable.

Our safety approach has been based on assessing and controlling key risks that could result in the greatest harm within the workplace, and this has led to the development of processes and risk controls aligned to the new national codes of practice and regulations, and also to the commencement of external audits to validate compliance at the operating sites.

To support our focus on a proactive approach to safety during FY13, we continued to measure our lead indicators to ensure that management remained focused on driving safety system improvements. Our lead indicators and performance against these were as follows:

- Completion of safety training – 94% compared to 80% in FY12;
- Completion of Good Manufacturing Practice audits on a monthly basis at each site – 100% compared with 100% in FY12; and
- Closure of Priority Actions identified during audits or as a result of incident investigations – 96% compared to 89% in FY12.

The reductions in injury rates and lead indicators are a very pleasing result for the business and demonstrate that with diligence and application, the inroads made to improving the safety management systems over the past 12 months have been effective. This work will continue during FY14.

Our People continued

People

This year we have welcomed new people into our business, from new acquisitions to a new CEO. We have also farewelled our colleagues from Cheetham Salt. Through all the changes we remain committed to providing a safe and healthy workplace for all employees, suppliers, contractors and visitors. We strive to cultivate a highly motivated, productive and committed workforce that drives our business success in a workplace where diversity and equality are actively promoted.

On 31 December 2012, the CSF Proteins Melbourne team at Laverton, Victoria officially became part of Ridley when it acquired the rendering business of BPL Melbourne. It was the last day of the calendar year but the first day of integration, and we began the induction process for the new Ridley employees with a session on safety. Since then, the team at Laverton has completed online training across a range of safety modules. In the second half year we have been working together to develop the strategy for the entire Ridley rendering business unit, aligning objectives across the organisation as part of the performance management system.

It is nearly 12 months since we received the feedback from our Ridley AgriProducts employees in the Employee Opinion Survey (EOS). The three main areas for improvement centred on improving communication and consultation between managers and staff, communicating more effectively the vision and strategy of the Company, and improving change potential. In response to the EOS, 26 action plans were developed at site level and several initiatives implemented across the organisation, three of which are outlined below. In the coming year management will undertake a review to determine if there are any additional actions required and to ensure that appropriate focus is directed to the actions required prior to the next EOS in 2014.

1. Developing an innovation culture

Across the organisation, we realise we need to improve our cooperation in order to implement change more effectively. To improve our organisation's ability to become more agile and adaptive to changing requirements, the management team identified the need to drive a culture of innovation, and duly embarked on a series of innovation challenges to kickstart the generation of ideas.

In September 2013, we had the first of the innovation challenges, whereby through videos disseminated on our intranet, Ridley employees were challenged to submit ideas for improvement and innovation. The response was better than expected with more than 150 ideas being submitted. The ideas ranged from fairly simple ideas, with relatively straightforward implementation plans, to more complex and far-reaching ideas, with the potential to become real 'game changers'.

Pleasingly 30 ideas have been implemented and another 50 ideas are in the process of being implemented. Our focus will continue on implementation and encouraging our staff to continue generating new ideas to make Ridley a better place to work.

Recognising the need for continuous improvement and innovation, in 2011 the Ridley Board restructured its committees and refocused the role of the renamed Ridley Innovation and Operational Committee. The Committee was delegated the responsibility to oversee processes and procedures for new product development, innovation and technological and scientific advancement, aspects of general operational performance, and quality assurance.

2. Internal communication

In response to the feedback on communication and coordination, we have assembled a communications working group comprising representatives from a wide range of teams across the organisation. This group helps to close the communication loop and provide useful feedback to the executive team. It is a working group, and as such takes on actions to improve communication across the organisation. For example, the Group coordinates a quarterly business update by the CEO which is delivered face to face in Melbourne and also made available via video to other sites across the organisation. In FY14, the Group will coordinate workshops for every employee to consider the Ridley strategy and how his or her work is aligned to the achievement of the strategic goals.

3. Corporate sponsorship

This year, Ridley coordinated its corporate sponsorship and it has been satisfying to work with Aussie Helpers and the Garvan Institute to make a difference in the communities in which we operate. Aussie Helpers works directly with farmers who are struggling financially, whereas the Garvan Institute is well known for its breakthrough medical research. We have been able to work with the Garvan Institute to roll out health education and disease prevention programs to regional communities.

Learning and development

We have continued our focus on leadership and management development with further investment in the two structured development programs focused on rising stars and site managers.

We have delivered 10 programs on our online learning management system which now forms an integral part of the induction program for our newly acquired businesses and employees.

In FY14, we will implement an online performance management system, which will include development plans. This will encourage more focus on individual learning and development planning and improve general workforce capability.

Careers in agriculture

Across Australia, the number of Agriculture graduates is diminishing and the experts in the field are inevitably aging, with a significant proportion approaching retirement. This is a significant issue for the industry and for Ridley as we need to go further afield to attract candidates for positions within our business. A project team has been assembled to coordinate the effort across Ridley and promote careers in Agriculture. We have also partnered with some key interested parties for the benefit of both Ridley and the industry in general. In FY14, we will focus on an internship program to attract talent to Ridley and promote careers in Agriculture.

Workforce diversity

Ridley strives to foster a working environment which is not only exciting and challenging, but is also flexible, inclusive and supportive. That means a place where everyone is treated with respect and dignity, and can work in an environment where they can achieve their maximum potential.

We respect diversity in our people, in their ideas, work styles and perspectives. Diversity recognises and values the contribution of people with differences in background, experience and perspective. Diversity includes, but is not limited to, gender, age, ethnicity and cultural background.

FY13 diversity initiatives

Ridley's Workplace Diversity Initiatives during FY13 continued to focus on the achievement of a diverse and inclusive working environment which provides equal opportunity in the following areas:

- gender diversity;
- recruitment, selection and promotion;
- talent and succession planning;
- career development;
- flexibility; and
- employee consultation.

Gender diversity

Developing the talent pipeline and encouraging more women into senior management roles continues to be a priority at Ridley. Initiatives adopted during the year include:

1. introducing a formal mentoring and coaching program;
2. developing skills for networking and encouraging women to develop their skills;
3. identifying learning opportunities for key women within Ridley through the current talent identification process; and
4. providing flexible work practices to encourage women back to the workplace.

As at 30 June 2013, female representation within Ridley was as follows:

Female representation within Ridley	**%**
Company	18
Board	14
Senior executives	33
Senior managers	18

The effectiveness of Ridley's gender diversity initiatives is monitored and measured using the following metrics:

- parental leave return rates;
- new recruits by gender and role;
- representation by age, role level and gender on flexible work arrangements;
- outcome of the high potential and high performance assessment;
- voluntary turnover by age and gender; and
- employee opinion survey results by age and gender.

Such details are reported to the Board on an annual basis as a matter of protocol.

Recruitment

Women represented 21% of all new hires within Ridley in FY13, with the highest proportion of appointments being made for technical specialist, administration and manufacturing roles. Ridley has continued to increase its representation of females in positions that have historically had low female representation.

Parental leave and flexible work arrangements

Ridley offers Paid Maternity Leave to eligible employees to complement the Government Scheme. Under the Ridley scheme, employees with greater than two years of unbroken service are offered eight weeks paid leave which increases to 18 weeks for those employees with greater than five years of service. This scheme has helped generate a 67% return rate in relation to Parental Leave, with two (2) of the three (3) employees who accessed Paid Maternity Leave entitlements returning to work.

A range of Flexible Work Arrangements continues to be offered to our employees to assist them in managing both their work and carer responsibilities. These arrangements include job-sharing, phased return to full-time employment after completing Parental Leave, and working from home.

Turnover

Employee turnover throughout Ridley was 20% across the total group, with 21% female versus 79% male. Within Ridley AgriProducts, female turnover was highest in the 25-34 year old demographic whilst turnover amongst males was highest between the ages of 35 and 44. Turnover rates were highest in the regions where there is strong competitive demand for labour in the mining sector.

Diversity initiatives 2013-14

Increased gender diversity continues to be a focus of our business. Initiatives aimed at promoting greater participation by women in our industry will remain a priority, however Ridley will continue to monitor feedback from multiple demographic groups to ensure that all views and needs are well captured and understood by the business. An organisation-wide EOS in the latter half of FY14 will capture the views and opinions of the Ridley workforce.

As part of the transitional requirements of the Workplace Gender Equality Act 2012 (Act), Ridley was required to lodge its Annual Compliance Report which details the gender composition of each level of its workforce as at 31 March 2013. This report was duly lodged with the Workplace Gender Equality Agency on 29 May 2013 and a copy of this report has been published on the Ridley website.

Whilst the FY13 metrics will also be utilised to measure the effectiveness of FY14 Diversity Initiatives, from 1 April 2014 Ridley will also need to utilise a new set of performance measures legislated under the recently introduced Workplace Gender Equality Act 2012 (Cth). Unlike the former Equal Opportunity for Women in the Workplace Act 1999, which focused on female participation in the workplace, the new legislation will require Ridley to report annually on the following set of indicators aimed at improving gender equality outcomes for both men and women:

- gender composition of the workforce;
- gender composition of governing bodies of relevant employers;
- equal remuneration between women and men;
- availability and utility of employment terms, conditions and practices relating to flexible working arrangements for employees and working arrangements which support employees with family or caring responsibilities;
- consultation with employees on issues concerning gender equality in the workplace; and
- any other matters specified by the Minister for the Status of Women.

Ridley is currently reviewing its human resources and payroll systems to ensure that such information can be accurately captured and reported.

Environment

Energy

The Federal Government's National Greenhouse and Energy Reporting Act 2007 (Cth) (NGER) introduced a national framework for the reporting and dissemination of information about greenhouse gas emissions, greenhouse gas projects and energy use and production. To comply with this legislation, Ridley is required to report annually. As in prior years, Ridley will again submit a compliant NGER report in 2013.

Ridley is also required to report its energy usage under the Energy Efficiency Opportunities Act 2006 (Cth). The legislation required any company that reached the 0.5PJ total energy usage threshold to conduct assessments to identify potential opportunities to reduce energy use and to then monitor and report on those opportunities, and any new opportunities identified within the context of the group's total energy usage. Energy use across the business includes electricity, LPG, natural gas and diesel.

Over the past 12 months Ridley has focused on a number of energy efficiency initiatives and notably was recently successful in obtaining a Government grant for a project at the new mill in Pakenham, Victoria. During FY14, Ridley will continue to look for opportunities to drive energy efficiency improvements throughout the Company.

Water

At Ridley, we continue to look for opportunities to reduce our water usage. As detailed in last year's report, Ridley continues to implement water management plans and has identified a number of solutions to reduce water consumption at the mills.

Reducing the usage of potable water has been the focus for most sites and all sites are now monitoring and tracking their water consumption. Some of the initiatives being used or investigated are the collection, treatment and use/reuse of rainwater, stormwater run-off and boiler blowdown.

Waste

With sites in the major Australian markets of Victoria and New South Wales, Ridley's rendering businesses are fulfilling an important role in creating valuable products from material which would otherwise be condemned as waste and sent to landfill.

One-third to one-half of each animal produced for meat, milk, egg and fibre food products is not consumed by humans, and the global rendering industry has consequently been a key component to sustainable agriculture for decades. Otherwise surplus raw materials are subjected to rendering processes which result in many useful and valuable products, including meat and bone meal, poultry meal, hydrolysed feather meal, blood meal, fish meal and animal fats. The most important and valuable use for these by-products is as feed ingredients for livestock, poultry, aquaculture and companion animals.

Without the continuing efforts of the rendering industry, the accumulation of unprocessed animal by-products would impede the meat industries and pose a serious potential hazard to animal and human health. By processing the low economic value organic matter from the meat processing, food processing, and food service industries and by reducing the amount of wastes deposited in landfills and discharged to municipal wastewater treatment facilities, the rendering industry plays a positive social role in sustainable agriculture.

In addition to rendering, Ridley AgriProducts continues to reduce the level of operational waste through improved efficiencies at its feed mill and rendering sites, and by diverting as much waste as possible into recycling streams. Whilst the business does not generate a significant amount of waste, we continue to demonstrate a commitment to our recycling program. This year we participated in a new recycling initiative that was trialled at one of our Victorian sites, whereby Ridley partnered with the RED Group and RePlas to pilot a closed-loop plastics recycling initiative. The result of the trial was very encouraging and as a result we are now looking to replicate this at other sites. The initiative involves collecting post-industrial materials such as feed additive bags and pallet shrink-wrap. The material is then reprocessed by our partners into products ranging from school chairs, benches, speed humps to board-walks and signage. Our short term goal is to redirect plastic waste materials away from landfill so that it can be effectively recycled.

Ridley continues to be a signatory of the Australian Packaging Covenant and submitted a compliant plan for 2013.

Another example of Ridley's energy efficiency and recycling initiatives can be seen at our site in Maroota, NSW, which has two covered anaerobic ponds and a series of cooling ponds. The ponding system not only produces biogas but treats water to a reusable standard, thereby avoiding any discharge of waste water or sludge from the site and generating self sufficiency in water usage. The recycled waste water is used as condenser cooling water and for wash down whilst boiler water and water for domestic use is supplied from onsite bores and rainwater tanks.

The biogas and waste treatment system at Maroota is not only environmentally sustainable by recycling waste to produce energy, but also helps the site to control odour as well as giving the business two other sources of competitive advantage, namely:

- the ability to produce biogas, which in turn powers one of the boilers and saves on energy costs; and
- the ability to treat water to a reusable standard and to re-use all sludge on site, thereby providing significant savings on what would otherwise be significant water and trade waste costs.

Community sponsorship

Ridley recognises that generating a profit provides a positive return for its shareholders but also creates the ability to support social and environmental activities within the rural and regional communities where we operate. These local activities sustain business performance by improving efficiency and wellbeing whilst strengthening the regional networks across the southern and eastern states of Australia.

Operating in diverse communities across rural Australia, Ridley proudly supports Australian businesses, suppliers, and primary producers. As one of the largest employers in many rural regions, (80% of our workforce is employed in regional locations,) Ridley is committed to investing in the development of all our people and notably building the skills base of the remote communities in which we operate. We do our utmost to ensure that we will continue to be a key contributor to Australian communities.

Ridley makes financial contributions to charities, schools, local sporting clubs and universities across Australia, supporting many worthwhile activities and providing opportunities and education for a vast range of people in diverse regions.

Ridley launched two new charity partnerships in FY13, with the Garvan Institute and Aussie Helpers. These two charities are now the main beneficiaries of Ridley's charitable donations.

Garvan Institute

In late 2012, Ridley AgriProducts launched a new three-year national awareness and education partnership with world leading medical research organisation the Garvan Institute of Medical Research (Garvan).

Together, Garvan and Ridley AgriProducts will extend Garvan's Public Engagement Program into rural and regional Australia, sharing important messages about health and medical research with the community through a 'Healthy Families, Healthy Communities' program.

The Healthy Families, Healthy Communities forum gives our employees an affiliation they can be proud of: a partnership with a leading organisation committed to improving the diagnosis, treatments and prevention of many of the diseases that currently have the biggest impact on our communities.

The partnership with Garvan reflects Ridley AgriProducts' position as a key employer in rural communities across Australia. Through our network established in many regional communities, we can help Garvan educate and build awareness of important health messages. The community forums are free and will cover a range of topics which will benefit our employees, suppliers, customers and the communities in which we operate.

In the first year of the Garvan initiative, we jointly launched the 'Cancer in the Community' forums that are deliberately taking a positive approach to dealing with cancer as part of its Healthy Families, Healthy Communities initiative. The forums explore cancer, both the facts and the fiction, and advise of important new research being undertaken in this area. Cancer is a major cause of illness in Australia and the impact of cancer is far reaching, affecting individuals, their families, friends, colleagues and the local community. The aim of the forums is to demystify cancer, promote prevention and build awareness about medical research in rural and regional Australia.

Aussie Helpers

Aussie Helpers is a national charity that provides support to struggling farmers. The charity was originally started by a husband and wife team and has rapidly expanded over recent years. The unique attribute of Aussie Helpers is its desire to not only encourage monetary support, but also the giving of time and physical assistance. We believe this charity will go a long way to improving engagement and pride throughout Ridley. Aussie Helpers has a direct link to rural communities in which we operate and enables us to engage our employees at all of our sites to make a difference to farmers in need.

Ridley AgriProducts has been actively helping Aussie Helpers since becoming a corporate sponsor of this charity during the year. To date, we have donated many thousands of dollars of packaged stockfeed to:

- fire victims in the 2012 Queensland gulf country fires;
- fire victims in the 2012 New South Wales bushfires;
- fire victims in the 2012 Tasmanian fires; and
- fire victims in the 2013 Victorian fires.

In January 2013 we held a staff morning tea in our head office and raised more than $1,500 towards Aussie Helpers.

Through our contributions to Aussie Helpers, we are able to actively assist those families and animals recently affected by recent natural disasters. Our relationship with Aussie Helpers' volunteer network has also helped us to ensure that our donations are going directly to the farmers most in need and that our sponsorship is productively helping families in the wake of the devastating fires of recent years.

Ridley launched two new charity partnerships in FY13, with the Garvan Institute and Aussie Helpers.

Board of Directors

John M Spark
BComm FCA

Chair and Independent Non-Executive Director
Appointed a Director in January 2008 and Ridley Chair on 22 November 2010, John is a Director of Newcrest Mining Limited. John was the Managing Partner of Ferrier Hodgson Melbourne and a global partner of Arthur Andersen Melbourne. He was a Director and Chair of the Audit Committee of ANL Limited and Baxter Group Limited. He has an extensive background in accounting, company reconstruction and financial analysis.

Other current listed company directorships

Newcrest Mining Limited from 2007.

Former listed company directorships in the last three years

None.

Richard J Lee
Resigned on 30 June 2013

BEng (Chem) (Hons) MA (Oxon) FAICD

Independent Deputy Chairman
A Director since 2001, Rick is a Director and former Chair of Salmat Limited and an Independent Director of Newcrest Mining and Oil Search Limited. He is also Chairman of the Australian Institute of Company Directors. He was formerly Chief Executive of NM Rothschild Australia Group and prior to that spent 16 years in the CSR sugar division.

Other current listed company directorships

Salmat Limited from 2002. Newcrest Mining Limited from 2007. Oil Search Limited from May 2012.

Former listed company directorships in the last three years

CSR Limited from 2005 to 11 May 2011.

Tim Hart
Appointed on 24 June 2013

BSc, MM(T), MMkting, MEd (Melb), PGDIPSI (Oxon), GAICD, FAIM

CEO Designate
(from 2 April 2013)

Chief Executive Officer and Managing Director
(appointed on 1 July 2013)

Tim commenced employment with Ridley on 2 April 2013 as CEO Designate and was appointed a Director on 24 June 2013. Tim was formally appointed as Chief Executive Officer and Managing Director on 1 July 2013. He was previously CEO of Sugar Australia and Sugar New Zealand, being joint ventures between Wilmar/CSR and Mackay Sugar Limited. Prior to that, Tim held management positions with SCA Hygiene Australasia, Carter Holt Harvey, ACI Plastics Packaging, Amcor Limited and Pasminco Limited.

Other current listed company directorships

None.

Former listed company directorships in the last three years

None.

John Murray
Resigned on 1 July 2013

GAICD

Managing Director
(resigned on 1 July 2013)

John joined Ridley as CEO of Cheetham Salt in December 2005 and was appointed Managing Director and Chief Executive Officer of Ridley Corporation Limited in May 2008. John was previously Group General Manager – International Operations with Elders Limited. Prior to that he was Managing Director of the South Australian based grain business AusBulk Ltd until its merger with ABB Grain Ltd in September 2004. John has an extensive background of senior management experience in the food, industrial and agribusiness sectors.

Other current listed company directorships

None.

Former listed company directorships in the last three years

None.

Professor Andrew L Vizard
BVSc (Hons) MPVM FAICD

Independent Non-Executive Director
A Director since 2001, Andrew is a senior consultant and former Director of the Mackinnon Project at the University of Melbourne. Andrew is an experienced company director and has served on the board of numerous companies, statutory bodies and scientific organisations. He is currently a board member of Parks Victoria, a trustee of the Australian Wool Education Trust and Chair of The Vizard Foundation.

Other current listed company directorships

None.

Former listed company directorships in the last three years

Phosphagenics Ltd from July 1999 to May 2010.

Patria M Mann
BEc CA MAICD

Independent Non-Executive Director

Appointed in March 2008, Patria is currently a Non-Executive Director of First State Superannuation Trustee Corporation, The Doctors' Health Fund Pty Limited and Perpetual Superannuation Limited. Formerly a partner at KPMG, Patria brings strong audit, investigation, risk management and compliance experience to the Board. Patria is a member of the Institute of Chartered Accountants and the Institute of Company Directors.

Other current listed company directorships

None.

Former listed company directorships in the last three years

None.

Professor Robert J van Barneveld
BAgr Sc (Hon), PhD, RAn Nutr, FAICD

Independent Non-Executive Director

Professor van Barneveld is a registered animal nutritionist, has a Bachelor of Agricultural Science with a major in Animal Production and a PhD from University of Queensland. Appointed in June 2010, Professor van Barneveld brings to the Board a wealth of experience in the agricultural sector, and currently serves on the Boards of Pork CRC Ltd, Sunpork Pty Ltd, Sunpork Fresh Foods Pty Ltd and Roseworthy Piggery Pty Ltd, and is also Chairman and President of Autism Queensland Inc. Professor van Barneveld is an adjunct Professor in the school of environmental and rural science at the University of New England.

Other current listed company directorships

None.

Former listed company directorships in the last three years

None.

Dr Gary H Weiss
LLB (Hons) LLM (NZ) JSD (Cornell, NY)

Independent Non-Executive Director

Appointed in June 2010, Dr Weiss is an Executive Director of Ariadne Australia Ltd and a former Executive Director with the Guinness Peat Group. Dr Weiss has LL.B (Hons) and LLM (Dist.) degrees from Victoria University of Wellington, New Zealand and a JSD from Cornell University, New York. Dr Weiss has extensive experience in international capital markets and is a Director of a number of public companies.

Other current listed company directorships

Ariadne Australia Limited from 1989. Premier Investments Limited from 1994. Tag Pacific Limited from 1988. Mercantile Investment Company Limited from 2012. Pro-Pac Packaging Limited from 2012. Clearview Wealth Limited from October 2012.

Former listed company directorships in the last three years

Westfield Holdings Limited (Group) from 2004 to May 2010. Guinness Peat Group (UK) from 1990 to 30 April 2011.

Ejnar Knudsen
Appointed on 24 June 2013
CFA

Non-Executive Director

Mr Knudsen represents the interests of 19.73% shareholder Insitor Holdings LLC and AGR Partners LLC

Appointed on 24 June 2013, Ejnar is the managing member of AGR Partners, an associated entity of Ridley's largest shareholder, Insitor Holdings. Ejnar has more than 20 years of experience investing in and operating food and agriculture companies. Ejnar was Executive Vice President of Western Milling, a startup California grain and feed milling company that grew to over $1 billion in sales. He spent 10 years as Vice President for Rabobank in New York where he managed a loan portfolio, equity investments, and corporate advisory services. Prior to founding AGR Partners, Ejnar was Co-Portfolio Manager of Passport Capital's Agriculture Fund.

Other current listed company directorships

None.

Former listed company directorships in the last three years

None.

Corporate Governance Statement

Ridley Corporation and the Board are committed to achieving the highest standards of corporate governance

The Australian Securities Exchange Listing Rules require companies to disclose the extent to which they have complied with the best practice recommendations of the ASX Corporate Governance Council – the Corporate Governance Principles and Recommendations (Recommendations). In accordance with ASX Listing Rule 4.10.3, the Company will disclose when it has not adhered to any of the Recommendations. The Company considers that it complies with all Recommendations except for Recommendation 2.4 and Recommendation 8.1. These Recommendations suggest that a company should have both a Remuneration Committee and a Nominations Committee, each with at least three Non-Executive Director members. The Company has a Remuneration Committee which the Board considers, given the size of the Board, is more appropriate to comprise of two, rather than three, Non-Executive Directors. Nominations issues are addressed by the full Board.

Board responsibilities

The Chair is responsible for leading the Board, ensuring all Directors are properly briefed in all matters relevant to their role and responsibilities, facilitating Board discussions and managing the Board's relationship with the Company's senior executives.

The Board is responsible for the overall governance of the Company, including setting the strategic direction, establishing goals for management, and monitoring the achievement of these goals. Directors are accountable to shareholders for the Company's performance.

The management of the business is delegated by the Board to the Managing Director and Chief Executive Officer (in this statement, referred to hereafter as Managing Director), within a framework of financial and non-financial authority limits. The Board is responsible for appointing and reviewing the performance of the Managing Director.

The Board has established an Audit and Risk Committee, a Remuneration Committee and a Ridley Innovation and Operational Committee to assist in the execution of its responsibilities. The roles of all Board Committees are documented in Committee charters which are reviewed and approved by the Board annually. The Board has also established a framework for the management of the Company, including a business risk management process, the establishment of appropriate internal controls, and the adoption of ethical standards which are incorporated within a Code of Conduct.

The Board and committee charters and risk management framework are available on the Company's website at www.ridley.com.au

Composition of the Board

The names, profiles, qualifications and experience of the Directors in office at the date of this statement are set out on pages 36 and 37.

The composition of the Board is determined using the following principles:

- The Board should comprise Directors with a broad range of expertise, both nationally and internationally.
- The Board should comprise a minimum of six Directors. This number may be increased where it is felt that additional expertise is required in specific areas.
- The Chair of the Board will be an independent Non-Executive Director.
- The Board will comprise a majority of independent Non-Executive Directors. Currently, there are five independent Directors, a Director representing the interests of 19.73% shareholder Insitor Holdings LLC, and the Managing Director. Dr Weiss ceased his association with the entity responsible for his nomination to the Board effective from 30 April 2011, at which time the Board assessed the relevant circumstances and considered Dr Weiss to be an independent Director from 1 May 2011.

Remuneration of Directors

Non-Executive Directors' fees are determined by the full Board within the aggregate of $700,000 approved by the shareholders at the Annual General Meeting (AGM) in 2003. Non-Executive Directors are not entitled to participate in the Company's equity participation schemes outlined in the Remuneration Report, including share options or performance rights, nor do they receive incentive payments. In accordance with current corporate governance guidance, the Directors' retirement scheme was terminated at the October 2003 AGM. Directors' accrued entitlements at that date will be paid when they retire. Details of the remuneration of Directors during the year are set out in the Remuneration Report on page 52.

Board meetings

Board and committee agendas are structured throughout the year to review Company strategy and to give the Board a detailed overview of the performance and significant issues confronting each business unit and to identify major risk elements. The number of meetings held and the attendance details are set out in the Directors' Report (page 45).

Directors receive detailed financial and operational reports from senior management during the year and management is available to discuss the reports and business issues with the Board. The Board on occasion visits and holds some meetings at the Company's operating sites.

Independent professional advice

Each Director has the right to seek independent professional advice relating to the duties and obligations of a Director at the Company's expense, however prior approval of the Chair is required and is not to be unreasonably withheld.

Company Secretary

All Directors have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring compliance with procedures and applicable statutes and regulations.

To enable the Board to function effectively, all Directors have full and timely access to information that is relevant to the proper discharge of their duties. This access includes information such as corporate announcements, investor communications and other developments which may affect the Company and its operations as well as access to management where required.

The Company Secretary is responsible for management of Director training. All new Directors are appropriately inducted to the Company, which includes briefings on fiduciary and statutory responsibilities as well as orientation in respect of the Company's operations.

Remuneration Committee

During the prior year, certain of the responsibilities of the former Remuneration and Nomination Committee were deemed by the Board to be matters more appropriately addressed by the Board. Consequently, the Remuneration and Nomination Committee was renamed the Remuneration Committee, its charter amended, and the Ridley Board Charter extended to cover the Board appointment and composition issues envisaged by the Recommendations as being covered by a Nominations Committee. The role of the Remuneration Committee is to review, and make recommendations to the Board on, remuneration packages and policies applicable to the Managing Director, senior executives and Directors themselves. This role also includes responsibility for the Ridley Corporation Long Term Incentive Plan, Ridley Employee Share Scheme and incentive performance packages.

With the restructuring of the Remuneration Committee, the Board assumed responsibility for evaluating Board performance, reviewing Board size and composition, assessing the necessary and desirable competencies of Directors, reviewing Board succession plans, senior management succession plans and candidates to fill vacancies. The Board is responsible for reviewing the performance of the Chair.

The Remuneration Committee meets at least twice a year and as required.

All members of the Committee must be independent Non-Executive Directors. The Managing Director attends meetings of the Committee by invitation.

The members of the Remuneration Committee throughout the year unless otherwise stated were:

- J Spark, Independent Director and Remuneration Committee Chair;
- R Lee, Independent Director (resigned on 30 June 2013); and
- A Vizard and G Weiss, Independent Directors (appointed on 21 May 2013).

Details of the Committee members' experience and technical expertise are set out in the Directors' biographies on pages 36 and 37.

Audit and Risk Committee

Board policy states that the Audit and Risk Committee must consist of at least three Non-Executive Directors, the majority of which are independent as determined in accordance with the Recommendations. The role of the Committee is to oversee financial reporting, internal controls, the maintenance of an effective risk management framework, including compliance, and the assurance provided by internal and external audit.

It is good corporate governance to review the external audit appointment on a regular basis. In the 2009 financial year, KPMG were appointed as the Company's Auditor following a competitive tender process involving all four of the major Chartered Accounting firms. It is envisaged that this appointment be similarly reviewed in the future.

Details of the amounts paid for audit and other services are set out in note 20 of the Financial Report. This Committee meets with the external auditor at least four times a year to discuss matters relevant to its terms of engagement and review any significant disagreements between management and the auditor.

In addition, the Committee meets with the auditor without the presence of management.

The Audit and Risk Committee reviews the level of non-audit services provided by the external auditor and ensures it does not adversely impact on the auditor's independence. The auditor also provides the Committee with written confirmation of its professional independence. The audit partner or senior representative also attends the Ridley Annual General Meeting and is available to answer any relevant shareholder questions. The Company requires that the audit partner be changed at least every five years.

The Audit and Risk Committee is responsible for the independent whistleblower service that is available to all Australian employees of the Company.

The Audit and Risk Committee is responsible for oversight of the internal audit program of the Company, which is totally independent of the external audit function but designed to be complementary to it. The Committee sets and agrees the internal audit program, receives and reviews all internal audit reports, and meets with the internal auditors at least four times a year. In addition, the Committee meets with the auditors without the presence of management.

It is considered good corporate governance to review the internal audit appointment on a regular basis. The second two year term of appointment of Deloitte and PwC as the Company's internal auditors concluded on 30 June 2013. Following a review conducted in the 2013 financial year, the Board resolved to bring the internal audit function in-house. An appropriately qualified resource to manage the internal audit function and risk for the Company as a whole was recruited and commenced employment on 15 July 2013. The Audit and Risk Committee also gives the Board assurance regarding the accounting policies adopted, any changes in accounting policies or practices, and the corresponding financial and disclosure impacts.

The members of the Audit and Risk Committee throughout the year unless otherwise stated were:

- P Mann, Independent Director – Chair
- R Lee, Independent Director (resigned on 30 June 2013)
- G Weiss, Independent Director
- A Vizard, Independent Director
- J Spark, Independent Director (appointed on 21 May 2013)

Details of the Committee members' experience and technical expertise are set out in the Directors' biographies on pages 36 and 37.

Ridley Innovation and Operational Committee

The role of the Ridley Innovation and Operational Committee (RIOC) is to oversee the Company's processes and procedures for new product development, innovation and technological and scientific advancement, aspects of general operational performance, and quality assurance. This Committee must comprise at least three members, being the Company's Managing Director plus two Non-Executive Directors.

The RIOC meets quarterly or as required.

The members of the RIOC throughout the year unless otherwise stated were:

- A Vizard, Independent Director – Chair
- J Murray, Managing Director (resigned on 1 July 2013)
- R van Barneveld, Independent Director
- J Spark, Independent Director
- T Hart, Managing Director (appointed on 1 July 2013)

Details of the Committee members' experience and technical expertise are set out in the Directors' biographies on pages 36 and 37.

CSL Divestment Committee

Following the announcement on 22 February 2012 that transaction opportunities for Cheetham Salt Limited (CSL) were being pursued with the objective of unlocking the underlying value of its assets, the Board established a CSL Divestment Committee comprising J Spark (Chair), J Murray (Managing Director), R Lee and G Weiss. The first meeting of the Committee was held on 16 March 2012 and regular meetings scheduled thereafter up to 29 November 2012, when agreements to sell CSL were duly executed. Management, financial and legal adviser attendance at meetings of this Committee was by invitation as required.

Risk management

The Company has in place a Strategic Risk Management Framework, a summary of which is available on the Ridley website at www.ridley.com.au

In addition, there are a number of other arrangements in place to identify and manage risks that could have a material impact on the Company's business, including the maintenance of Board committees, detailed and regular budgetary, financial and management reporting, established organisational structures, procedures, manuals, policies, audits (including internal and external, environmental and safety) comprehensive insurance programs and the retention of specialised staff and external advisors. The Company also has in place detailed policies and review processes covering financial and commodity risk management.

In the prior year, a quarterly certification process was introduced whereby management is required to report to the Board that material business risks are being managed effectively. At year end the Board received such certifications, together with assurance from the Managing Director and Chief Financial Officer that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

The environment

The Company aims to ensure that the highest standard of environmental care is achieved, and has in place various policies and procedures to ensure the Company is aware of, and is in compliance with, all relevant environmental legislation. More information is contained in the Our People section under Environment on pages 32 to 33.

Directors' indemnity

The Company has entered into a Deed of Indemnity Insurance and Access with all Directors of Ridley Corporation Limited and with all executives appointed as Directors of controlled entities.

The Company also has in place a Directors' and Officers' Liability insurance policy, covering all Directors and officers of the Company. The liabilities insured against include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the Directors and officers while working in such capacity for the Company.

Ethical standards

In pursuance of the promotion of high standards of corporate governance, the Company has adopted various internal standards and policies, which include additional disclosure of interests by Directors and guidelines relating to the dealing in Company securities by Directors and managers. The Company also has in place a Code of Conduct for all Directors and employees, a copy of which is available on the Ridley website at www.ridley.com.au

The Code of Conduct reflects the standards of behaviour and professionalism required to maintain confidence in the Company's integrity.

The Code of Conduct requires the disclosure of conflicts of interest and, if possible, their elimination. If this is not possible, Directors are required to abstain from participation in, and not be present during, any discussion or decision making process in relation to the subject matter of the conflict. Each Director is personally responsible for the full and proper disclosure to the Board of all related party transactions.

Securities trading

Directors and officers are only ever permitted to buy and sell Ridley securities when not in possession of price sensitive information and in periods other than:

- from balance date to the release of half year and full year results; and
- in the two week period prior to the AGM or any other shareholder meeting.

A copy of the Securities Trading Policy is available on the Ridley website at www.ridley.com.au

Hedging of Ridley securities

Directors and senior executives are not permitted to hedge their exposure to Company securities.

Margin lending

Directors and senior executives are not permitted to use Company securities as collateral in any financial transaction, including margin loan arrangements.

Continuous disclosure and shareholder communication

The Company makes timely and balanced disclosures of all material matters regarding it. All ASX releases are posted on the Company's website at www.ridley.com.au as soon as disclosure has been acknowledged by the ASX. Presentation material used in analysts' briefings is contemporaneously released to the ASX and posted on the Company's website.

Continuous disclosure is a standing agenda item for all Board meetings.

Corporate reporting

The Managing Director and the Chief Financial Officer provide the Board with an 'Integrity of the Financial Accounts Declaration' in accordance with the Best Practice Recommendations of Principles 4 and 7 of the ASX Corporate Governance Guidelines as follows:

- that the Company's financial reports are complete and present a true and fair view in all material respects of the financial position and performance of the Company and consolidated entity and are in accordance with relevant accounting standards;
- that the above statement is founded on a sound system of risk management and internal compliance and controls designed to provide reasonable assurance and which, in all material respects, implements the applicable policies adopted by the Board; and
- that the risk management and internal compliance and control systems of the Company relating to financial reporting objectives are operating efficiently and effectively in all material respects.

Compliance with the Company's financial risk management and internal control systems is tested on an ongoing basis by a formalised internal audit program, overseen by the Audit and Risk Committee, and supported by reviews of divisional compliance performed by Corporate Office staff. Divisional management also attest to such compliance.

Diversity and equal employment opportunity

The Company aims to provide a work environment in which employees feel that they are a valued member of the organisation, that they are treated fairly and with respect, and are given recognition for their contribution to Company success. The Company is committed to ensuring that all employees enjoy an Equal Employment Opportunity (EEO), which means that employees are treated fairly and equally when employment decisions are made, that unlawful discrimination does not take place, and that each employee enjoys a harassment-free work environment.

The Company supports and promotes the principle of equal opportunity for women in the workplace. In accordance with Commonwealth laws, the Company has in place a policy and program which is aimed at identifying and removing barriers to employment and promotion opportunities for women in the workplace. Further details are provided in the Our People section of this Annual Report.

Financial Report

The Directors of Ridley Corporation Limited (the Company) present their report for the Group (the Group), being the Company and its subsidiaries, and the Group's interest in equity accounted investments at the end of, or during, the financial year ended 30 June 2013.

1. Directors

The following persons were Directors of Ridley Corporation Limited during the whole of the financial year and up to the date of this report unless otherwise stated:

JM Spark
RJ Lee (resigned 30 June 2013)
TJ Hart (appointed 24 June 2013)
J Murray (resigned 1 July 2013)
AL Vizard
PM Mann
RJ van Barneveld
GH Weiss
E Knudsen (appointed 24 June 2013)

2. Principal activities

The principal continuing activities of the Group during the year were the production of high quality, high performance animal nutrition solutions and the recycling of animal and fish by-products into high performance feed ingredient solutions for the pet food, aquaculture and livestock industries.

3. Results

	2013 $'000	2012 $'000
Profit/(loss) from continuing operations before income tax	**(21,009)**	13,472
Income tax benefit/(expense)	**4,423**	(6,124)
Profit/(loss) from continuing operations after income tax expense	**(16,586)**	7,348
Profit/(loss) from discontinued operation after tax	**(5,108)**	11,905
Net profit/(loss) attributable to members of Ridley Corporation Limited	**(21,694)**	19,253

4. Review of operations

The Review of Operations is provided in the Financial Review section of this Annual Report as set out on pages 13 to 18.

5. Significant changes in the state of affairs

Significant changes in the state of affairs of the Group during the year ended 30 June 2013 are as follows:

- The sale of the Cheetham Salt business was completed on 28 February 2013, such that the consolidated result for the year includes eight months of Cheetham Salt business operations and 12 months of the Dry Creek salt operation which was excluded from the sale and retained by the Group.
- On 31 December 2012, the Group acquired the rendering business assets of BPL Melbourne Pty Ltd and the associated Merino Street and Lincoln Street, Laverton properties of BPL Nominees Pty Ltd, for a total purchase consideration of $77,078,000.
- Dry Creek was retained by Ridley after completion of the Cheetham Salt sale on the 28 February 2013 and Ridley continued to service the Penrice Supply Agreement until the termination of the supply agreement by Penrice on 1 July 2013. The early termination of the Penrice Supply Agreement rendered most of the asset values at the Dry Creek site redundant on 30 June 2013.

6. Likely developments

Likely developments and the expected results of operations are covered generally in the Review of Operations on page 11. Further information about likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Group.

7. Dividends and distributions to shareholders

Dividends paid to members during the financial year were as follows:	2013 $'000
Final dividend in respect of the prior financial year paid on 30 September 2012 of 3.75 cents, fully franked	**11,543**

Capital return to members during the financial year was as follows:	
Capital return of 7.5 cents per share paid on 5 July 2013 but fully provided for at 30 June 2013.	**23,086**

8. Environmental regulation

The Group is subject to environmental regulation in respect of its manufacturing activities. Management ensures that any registrations, licences or permits required for the Group's operations are obtained and observed.

Ridley has environmental and risk management reporting processes that provide senior management and the Directors with periodic reports on environmental matters, including rectification actions for any issues as discovered. In accordance with its environmental procedures, the Group monitors environmental compliance of all of its operations on an ongoing basis.

The Directors are not aware of any environmental matters likely to have a material financial impact.

Greenhouse gas and energy data reporting requirements

The Group is subject to the reporting requirements of both the Energy Efficiency Opportunities Act 2006 and the National Greenhouse and Energy Reporting Act 2007.

The Energy Efficiency Opportunities Act 2006 requires the Group to assess its energy usage, including the identification, investigation and evaluation of energy saving opportunities, and to report publicly on the assessments undertaken, including what action the Group intends to take as a result.

The Federal Government's National Greenhouse and Energy Reporting Act 2007 (Cth) (NGER) introduced a national framework for the reporting and dissemination of information about greenhouse gas emissions, greenhouse gas projects and energy use and production. To comply with this legislation, Ridley is required to report annually.

9. Directors' and executives' remuneration

Refer to the Remuneration Report on pages 52 and 53.

10. Share options and performance rights

Unissued ordinary shares of Ridley Corporation Limited and controlled entities under options and performance rights at the date of this report are as follows:

	Number	Expiry Date
Ridley Corporation Long Term Incentive Plan and Special Retention Plan (performance rights)	5,443,000	Various
Ridley Employee Share Scheme (options)*	3,324,010	Various

*The share grant and supporting loan together in substance comprise a share option.

No holder has any right under the plans to participate in any other share issue of the Company or of any other entity. The entity will issue shares when the options and performance rights are exercised. Further details are provided in note 23 in the Financial Report and the Remuneration Report.

The names of all persons who currently hold options granted under the option plans are entered in the register kept by the Company pursuant to section 215 of the Corporations Act 2001. The register is available for inspection at the Company's registered office.

11. Information on Directors

Particulars of shares and options held by Directors in the Company together with a profile of the Directors are set out in the Board of Directors section in the Annual Report and note 22 in the Financial Report.

12. Meetings of Directors

The number of Directors' meetings and meetings of Committees of Directors held during the financial year and the number of meetings attended by each Director, are as follows:

	Board		Audit and Risk Committee		Remuneration Committee		Ridley Innovation and Operational Committee	
Directors	H	A	H	A	H	A	H	A
JM Spark	16	16	-[1]	-[1]	6	6	3	3
RJ Lee	16	16	4	3	6	6	-	-
TJ Hart	2	2	-	-	-	-	-	-
J Murray	16	14	-	-	-	-	3	3
AL Vizard	16	15	4	4	1[1]	1[1]	3	3
PM Mann	16	16	4	4	-	-	-	-
RJ van Barneveld	16	15	-	-	-	-	3	3
GH Weiss	16	15	4	4	1[1]	1[1]	-	-
E Knudsen	2	2	-	-	-	-	-	-

H. Number of meetings held during period of office.
A. Number of meetings attended.
1. Appointed to the respective Committee on 21 May 2013.
2. In addition a CSL Divestment Committee was specifically constituted to manage the Cheetham Salt sale process and meetings were attended by JM Spark, J Murray, RJ Lee and GH Weiss.

13. Company Secretary

The Company Secretary during the year was Mr Alan Boyd who was appointed on 27 July 2009. Mr Boyd is the Group's Chief Financial Officer and is a Fellow of the Chartered Institute of Company Secretaries and a member of the Institute of Chartered Accountants in Australia.

14. Post balance date events

Subject to receipt of approval from the financiers of Penrice, effective from 1 July 2013, Ridley has a formal Deed of Termination and release (Agreement) with Penrice Soda Holdings Limited (Penrice) with regard to compensation payable to Ridley by Penrice in consideration for the early termination by Penrice of the long term take or pay contract to supply brine from the Ridley salt field at Dry Creek, South Australia to Penrice's soda ash plant at Osborne, South Australia. This follows Penrice's announcement in March 2013 that it will cease production of soda ash at that plant, and as such no longer requires brine from Ridley from 1 July 2013.

Under the terms of the Agreement, for a period of 10 years, Ridley is expected to receive an annual benefit of at least $500,000 through a combination of commercial arrangements, plus the option to procure up to 4.5 million tonnes of zero cost landfill product from the Penrice Angaston mine in South Australia which can be used by Ridley in the redevelopment of its Dry Creek site. In addition, in order for Ridley shareholders to participate in any value upside following Penrice's business reconstruction, Penrice has issued Ridley an option, exercisable at 7 cents per share at any time over a five year period, for Ridley to be issued 16,122,621 ordinary shares in Penrice, representing 15% of the 30 June 2013 issued capital in Penrice.

No other matters or circumstances have arisen since 30 June 2013 that have significantly affected, or may significantly affect:

(i) the Group's operations in future financial years, or

(ii) the results of those operations in future financial years, or

(iii) the Group's state of affairs in future financial years.

15. Insurance

Regulation 113 of the Company's Constitution indemnifies officers to the extent now permitted by law.

A Deed of Indemnity (Deed) was approved by shareholders at the 1998 Annual General Meeting. Subsequent to this approval, the Company has entered into the Deed with all the Directors and the Secretary of the Company and the Directors of all the subsidiaries.

The Deed requires the Company to maintain insurance to cover the Directors in relation to liabilities incurred while acting as a Director of the Company or a subsidiary and the costs involved in defending proceedings.

During the year the Company paid a premium in respect of such insurance covering the Directors and secretaries of the Company and its Australian-based controlled entities, and the general managers of each division of the Group.

16. Non-audit services

The Company may decide to employ the auditor (KPMG) on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

The Board has considered the non-audit services and, in accordance with the advice received from the Audit and Risk Committee, is satisfied that the provision is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services have been reviewed by the Audit and Risk Committee to ensure they do not impact the impartiality and objectivity of the auditor.
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on page 57.

During the year the following fees were paid or payable for non-audit services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	$
Tax services	143,815
Due diligence services	135,360
Other services	6,600
Total	**285,775**

17. Rounding of amounts to nearest thousand dollars

The Company is of a kind referred to in Class Order 98/100 issued by the Australian Securities and Investments Commission relating to the 'rounding off' of amounts in the Directors' Report and financial statements. Amounts in the Directors' Report and the consolidated financial statements have been rounded off to the nearest thousand dollars in accordance with that Class Order or in certain cases to the nearest dollar.

Signed in Melbourne on 21 August 2013 in accordance with a resolution of the Directors.

JM Spark
Director

TJ Hart
Director

Remuneration Report – Audited

The Directors of Ridley Corporation Limited (Ridley or Company) present the Remuneration Report prepared in accordance with section 300A of the Corporations Act 2001 for the Company and the Group, being the Company and its subsidiaries (Group), and the Group's interest in equity accounted investments, for the financial year ended 30 June 2013. This report forms part of the Directors' Report for the year ended 30 June 2013.

Remuneration Committee

The Remuneration Committee (the Committee), formerly the Remuneration and Nomination Committee, consisting of at least two independent Non-Executive Directors, advises the Ridley Board of Directors (Board) on remuneration policies and practices generally and makes specific recommendations on remuneration packages and other terms of employment for executive Directors, other senior executives and Non-Executive Directors. The Committee was formerly responsible for evaluating the Board's performance, reviewing Board size and composition and setting the criteria for membership and candidates to fill vacancies, however these responsibilities have reverted to the Ridley Board.

Executive remuneration and other terms of employment are reviewed annually by the Committee, having regard to performance against goals set at the start of the year, relevant comparative information and independent expert advice.

Remuneration of Directors and executives

Principles used to determine the nature and amount of remuneration

Remuneration packages are set at levels that are intended to attract and retain Directors and executives capable of directing and managing the Group's diverse operations and achieving the Group's strategic objectives.

Executive remuneration is structured to align reward with the achievement of annual objectives, successful business strategy implementation and shareholder returns. The remuneration strategy is to offer a base total employment package that can attract talented people, to provide short term performance incentives to encourage exemplary performance and to provide long term incentives to align the interests of executives more closely with those of Ridley shareholders, and to reward sustained superior performance, foster loyalty and staff retention.

The overall level of executive reward takes into account the performance of the Group over a number of years, with greater emphasis given to the current year. Since 2004, the Group's core business operations have changed substantially and the resulting profit has fluctuated significantly, periodically affected by non-recurring restructure costs. The sale in the 2013 financial year of Cheetham Salt facilitated the acquisition of Victoria's largest rendering business and the retirement of significant debt, and fundamentally repositioned the business to move forward as a dedicated agricultural business. Incentive payments have fluctuated throughout this period in line with business performance.

Consequences of performance on shareholder wealth

In considering the Group's performance and benefits for shareholder wealth, the Committee has regard for the following indices in respect of the current financial year and the previous four financial years.

		2013	2012	2011	2010	2009
Profit/(loss) attributable to owners of Ridley Corporation Ltd	$'000	**(21,694)**	19,253	29,316	29,093	(39,533)
Dividends paid	$'000	**11,543**	23,086	23,086	21,546	21,075
Capital return	$'000	**23,086**	-	-	-	-
Change in share price	$	**(0.27)**	(0.21)	0.08	0.37	(0.39)
Return on shareholders' funds before significant items	%	**(6.7)**	6.6	10.2	10.4	6.8
Short term incentive to KMP	$'000	**862**	158	497	920	815

Non-Executive Directors

Directors' fees

Non-Executive Directors' fees are determined within an aggregate Non-Executive Directors' fee pool limit which is reviewed periodically, with proposed amendments recommended to shareholders for approval. The maximum currently stands at $700,000 as approved at the 2003 Annual General Meeting. The Chair of the Audit and Risk Committee and Ridley Innovation and Operational Committee receive additional fees.

Retirement allowances for Directors

At the 2003 Annual General Meeting, shareholders approved the termination of the retirement allowance scheme. Directors' accrued entitlements at 31 October 2003 were frozen and will be paid when they retire. Professor Andrew Vizard has the sole remaining entitlement of $35,000 at 30 June 2013 following the retirement on 30 June 2013 of Mr Rick Lee.

Executives

The executive pay and reward framework comprises the following three components:

- base pay and benefits;
- short term incentives; and
- long term incentives.

Services from remuneration consultants

The Committee engaged the Godfrey Remuneration Group (GRG) on 23 August 2012 for a period of one year as a remuneration consultant to the Board. GRG was engaged to provide remuneration recommendations relating to key management personnel (KMP) of the Group and to provide advice outlining retention strategies for key senior managers in the event of a change in control event for the Group and provide recommendations in relation thereto.

GRG was paid $62,755 for the remuneration recommendations in respect of reviewing the amount and elements of KMP remuneration.

The engagement of GRG by the Committee was based on a documented set of protocols to be followed by GRG, members of the Committee and KMP for the way in which the remuneration recommendations would be developed by GRG and provided to the Board and the Committee.

The Board is satisfied that the remuneration recommendations were made by GRG free from undue influence by KMP about whom the recommendations may relate. The Board instructed GRG to provide recommendations only to the Board and the Committee and to direct all correspondence through the Chairman.

Base pay and benefits

Executives receive a total employment cost package which may be delivered as a mix of cash and, at the executive's discretion, certain prescribed non-financial benefits, including superannuation in excess of the superannuation contribution guarantee payments.

External consultants provide analysis and advice to ensure base pay and benefits are set to reflect the market rate for a comparable role. An executive's pay may also be reviewed on promotion.

The Group sponsors the Ridley Superannuation Plan – Australia, and contributes to other employee nominated superannuation plans. The fund provides benefits on a defined contribution basis for employees or their dependants on retirement, resignation, total and permanent disability, death and, in some cases, on temporary disablement. The Group also has a legacy defined benefit plan with five members remaining.

Short term incentives

Executives and employees in senior positions are eligible for short term incentive (STI) payments based on two components, being the financial performance of the Group and the overall performance of the individual as measured against personal key performance indicators (KPIs). The STI is payable in cash after the release of the full year financial results.

Each year, appropriate KPIs are set to align the STI plan with the priorities of the Group through a process which includes setting stretch target and minimum performance levels required to trigger payment of an STI.

The Group financial performance component of the STI is assessed against profit (and potentially other financial measures) targets set at the commencement of the financial year. Profit, as measured by earnings before interest and tax, was selected as the most appropriate widespread performance measure for the financial performance component of the STI, as it is considered to be the primary key indicator of success of the Group over the short term.

The personal KPI component of the STI is earned based on an assessment of each executive's performance against his or her individual KPIs for the year.

For the year ended 30 June 2013, the KPIs were based on Group or individual business unit financial performance and personal objectives. The KPIs included improving safety throughout the Group, reducing operating costs and achieving specific targets in relation to returns on assets as well as other key strategic non-financial measures.

Following the end of the financial year, financial results and each executive's performance against KPIs have been reviewed to determine STI payments for each executive. The Group financial performance component hurdle for the year was not met and the Board has exercised its discretion to award a proportion of the personal performance component only, capped at 50% of the aggregate at risk STI entitlements. Exceptions were made in respect of the STI payment awarded to former Chief Executive Officer (CEO) John Murray to incrementally reflect performance of an effective transition to the new CEO and to incoming CEO Tim Hart, for whom financial measures were considered to be inappropriate given his short period of tenure in FY13.

Long term incentives

In the year ended 30 June 2013, executives' and employees' long term incentives were provided by way of participation in the Ridley Employee Share Scheme. There was no annual issue of performance rights under the Ridley Long Term Incentive Plan given the prior year issue on 5 May 2012 of rights under the Special Retention Plan. The amended terms of this issue comprised a two year term with no disposal restriction or performance hurdle other than continuation of employment on the 5 May 2014 second year anniversary of the issue.

The long term incentive programs align the interests of executives more closely with those of Ridley shareholders and reward sustained superior performance, foster loyalty and staff retention. Directors and senior executives are not permitted to enter into any transaction that is designed or intended to hedge their exposure to Ridley securities.

Current long term incentive plans

Ridley Corporation Long Term Incentive Plan (LTIP)

The purpose of the LTIP is to provide long term rewards that are linked to shareholder returns.

Under the LTIP, which was introduced in October 2006, selected executives and the Managing Director may be offered a number of performance rights (Right). Each Right provides the entitlement to acquire one Ridley share at nil cost.

Rights vest subject to Total Shareholder Return (TSR) performance relative to the companies ranked from 101 to 300 in the ASX/S&P 300 as defined at the date of grant. TSR was selected as the performance measure for the LTIP due to its alignment with the value created for shareholders. Performance is measured over the three-year period from the date of grant. 50% of the Rights vest if Ridley ranks at the 51st percentile, and 100% vest if Ridley ranks at the 75th percentile or above. There is straight line vesting of the balance from 50% to 100% between the 51st percentile and 75th percentile. The TSR of Ridley and the comparator companies is measured at the end of the performance period by an independent third party which submits results to the Remuneration Committee for determination of vesting. To the extent that the performance criteria are met, the Rights are automatically exercised to acquire shares. If the performance criteria are not satisfied, the Rights lapse.

If Ridley is subject to a change of control during the vesting period, the Rights may vest to participants at that time, subject to performance testing and the discretion of the Board.

If a participant ceases employment prior to the end of the vesting period due to retirement, redundancy, permanent disability or death, any unvested Rights may vest to participants, subject to performance testing and the discretion of the Board. If a participant ceases employment prior to the end of the vesting period due to resignation, dismissal or any other reason that makes the participant no longer eligible to participate under the rules of the plan, any unvested Rights will lapse.

The shares to satisfy awards under the plan may be newly issued or purchased on-market, with the practice in recent years to purchase the shares on-market.

During the year ended 30 June 2013, nil (2012: 2,400,000) Rights were issued under the LTIP, of which nil (2012: 1,700,000) were granted as remuneration to KMP.

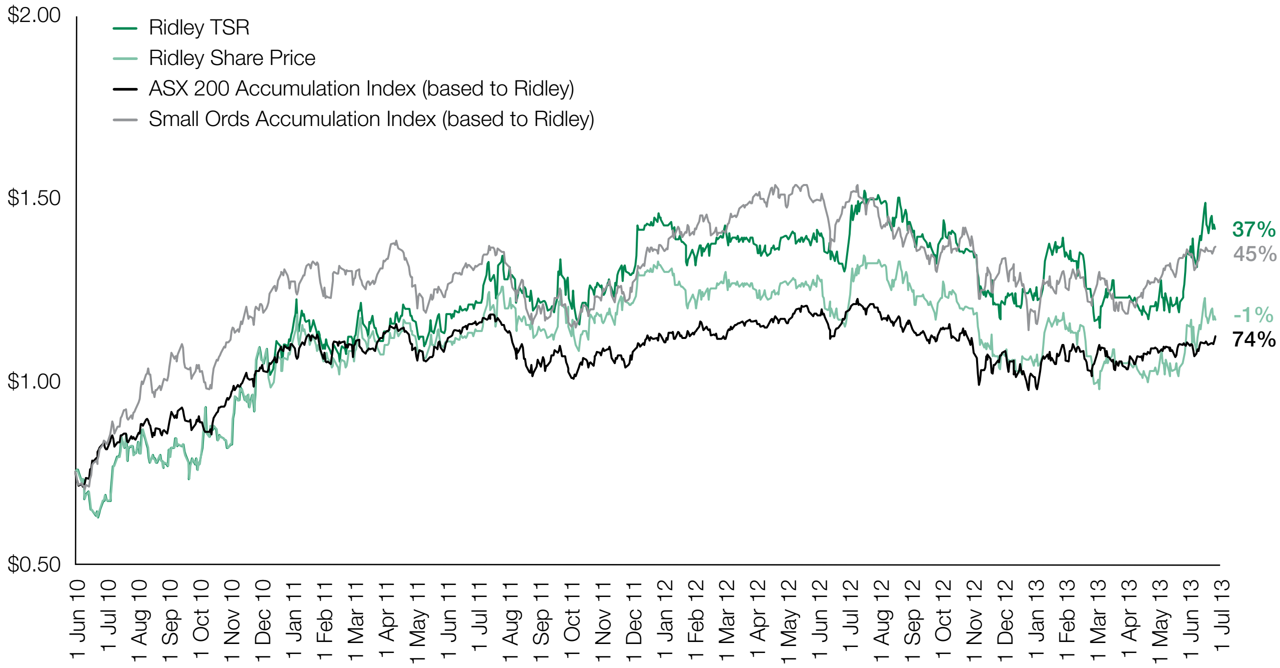
Summary of Ridley TSR performance

The following table provides a summary of Ridley TSR performance for each tranche of the LTIP Rights on issue at year end measured against the median percentage rankings amongst competitors and using 30 June 2013 as the hypothetical end date. TSR calculations use a 30 day average period rather than a single day start date for the commencement of each vesting period.

Start Date	TSR Ridley	Median TSR Comparison	Percentile	Number of Rights on Issue	Hypothetically Vested at 30 June 2013	Hypothetically Vested at 30 June 2013
5 Dec 10	-26.0%	-39.0%	53.6	1,843,000	1,021,022	55.4%
5 Dec 11	-18.0%	-24.0%	53.1	1,750,000	952,000	54.4%

Current long term incentive plans (continued)

Comparison of growth of Ridley Corporation Ltd share price to the ASX Small Ords and ASX 200 Accumulation Index
Ridley Employee Share Scheme



Under the Ridley Employee Share Scheme (Scheme), shares are offered to all permanent Australian employees with a minimum of 12 months' service, at a discount of up to 50%, and financed by an interest-free loan secured against the shares. The maximum discount per employee is limited to $1,000 annually in accordance with current Australian taxation legislation. Dividends on the Scheme shares are applied against any loan balance until such balance is fully extinguished. The amount of the discount and number of shares allocated is at the discretion of the Directors. The purpose of the Scheme is to align employee and shareholder interests. 841,126 (2012: 540,858) shares were acquired and allocated to participating employees under the Scheme during the year. The total market value of the shares issued which were purchased on-market was $713,000 (2012: $660,000).

Ridley Corporation Special Retention Plan (SRP)

The SRP was introduced in May 2012 specifically to retain and motivate key executives for a period covering and extending beyond the Cheetham Salt divestment process. Under the SRP, selected executives and the Managing Director were offered a number of performance rights (SRP Rights). The Plan offer was made in accordance with the rules of the Ridley LTIP except that there are no disposal restrictions and the cessation of employment has been superseded, such that the SRP Rights under this offer vest in full on the earlier occurrence of (i) completion of two years of service from the date of grant, (ii) ceasing to be an employee of Ridley because of a sale of a subsidiary entity, and (iii) occurrence of a change of control event. Each SRP Right provides the entitlement to acquire one Ridley share at the end of the service period.

During the year ended 30 June 2013, nil (2012: 2,300,000) Rights were issued under the Special Retention Plan, of which none (2012: 1,550,000) were granted as remuneration to KMP. Following the removal of material uncertainty through the successful completion of the Cheetham Salt divestment and acquisition of CSF Proteins, the Board exercised its discretion to vest on 1 July 2013 50% of the SRP Rights to those employees still employed within the Group at the 5 May 2013 first year anniversary of issue. Cheetham Salt SRP participants employed at the 28 February 2013 date of divestment received their full entitlement of shares pertaining to the SRP Rights.

Shares purchased on-market

The following table reflects the number and total market value of shares that were acquired on-market and allocated to participating employees under the incentive plans during the financial year.

	Number of Shares		Market Value	
Incentive Plan	**2013**	2012	**2013 $'000**	2012 $'000
Employee Share Scheme	841,126	540,858	713	660
Long Term Incentive Plan	1,003,057	675,560	955	811
Special Retention Plan	400,000	-	384	-

Directors and key management personnel

The following persons were the Directors and executives with the greatest authority for the strategic direction and management of the Group (key management personnel or KMP) during the current financial year.

Name	**Position**	
Directors		
JM Spark	Chairman	
RJ Lee	Deputy Chairman	Resigned 30 June 2013
TJ Hart	CEO Designate – Ridley	Appointed 24 June 2013 (a)
J Murray	Managing Director and CEO – Ridley	Resigned 1 July 2013
AL Vizard	Director	
PM Mann	Director	
RJ van Barneveld	Director	
GH Weiss	Director	
E Knudsen	Director	Appointed 24 June 2013
Executives		
AM Boyd	Chief Financial Officer and Company Secretary – Ridley	
PJ Weaver	Chief Executive Officer – Ridley AgriProducts	Resigned 1 July 2012
AL Speed	Chief Executive Officer – Cheetham Salt	28 February 2013 (b)
C Klem	Strategy and Corporate Development – Ridley	
AM Mooney	Group General Manager – Commercial – Ridley	
RN Lyons	General Manager Corporate Development – Ridley AgriProducts	
S Butler	General Manager – Ridley Land Corporation	

(a) TJ Hart joined Ridley on 2 April 2013 as CEO Designate and was appointed to the Board on 24 June 2013.
(b) AL Speed ceased being an employee of the Group on 28 February 2013 as a result of the sale of the Cheetham Salt business.

Details of remuneration

Details of the remuneration of each Director of Ridley Corporation Limited and each of the KMP of the Group during the financial year are set out below. In accordance with the requirements of Section 300A of the Corporations Act 2001 and Regulation 2M.3.03, the remuneration disclosures for the 2012 and 2013 financial years only include remuneration relating to the portion of the relevant periods that each individual was considered a KMP.

All values are in Australian dollars unless otherwise stated.

2013	Short Term Benefits			Post-Employment Benefits	Other	Share-Based Payments			
Name	**Directors' Fees and Cash Salary $**	**STI $**	**Other Benefits $**	**Superannuation $**	**Retirement/ Termination $**	**Performance Rights/ Options $**	**Total $**	**%[1]**	**%[2]**
Directors									
JM Spark – Chairman	159,091	-	-	15,909	-	-	175,000	-	-
RJ Lee[5]	106,422	-	-	9,578	26,481	-	142,481	-	-
TJ Hart – Managing Director[3]	160,705	125,000	70,000	12,500	-	-	368,205	-	34%
J Murray – Managing Director[7, 8,10]	636,318	480,423	137,264	50,000	629,124	388,743	2,321,872	17%	37%
AL Vizard	93,561	-	-	1,439	-	-	95,000	-	-
PM Mann	86,364	-	-	8,636	-	-	95,000	-	-
RJ van Barneveld	77,273	-	-	7,727	-	-	85,000	-	-
GH Weiss	77,273	-	-	7,727	-	-	85,000	-	-
E Knudsen[9]	-	-	-	-	-	-	-	-	-
Total Directors	**1,397,007**	**605,423**	**207,264**	**113,516**	**655,605**	**388,743**	**3,367,558**		
Executives									
AM Boyd[7]	378,970	112,734	81,988	25,000	-	127,737	726,429	18%	33%
PJ Weaver[4]	-	-	-	-	-	-	-	-	-
AL Speed[6,7]	238,208	-	67,120	10,980	-	294,861	611,169	48%	59%
CW Klem[7]	250,211	41,895	55,860	25,021	-	84,153	457,140	18%	28%
AM Mooney	250,101	27,520	-	24,600	-	88,500	390,721	23%	30%
RN Lyons	269,191	37,788	-	25,000	-	80,570	412,549	20%	29%
S Butler	207,474	36,300	-	21,363	-	75,153	340,290	22%	33%
Total executives	**1,594,155**	**256,237**	**204,968**	**131,964**	**-**	**750,974**	**2,938,298**		
Total	**2,991,162**	**861,660**	**412,232**	**245,480**	**655,605**	**1,139,717**	**6,305,856**		

1. Percentage remuneration consisting of performance rights/options.
2. Percentage remuneration performance related.
3. Employed by Ridley on 2 April 2013 and appointed to the Board on 24 June 2013. Other benefits comprises a sign on bonus.
4. Resigned 1 July 2012.
5. Resigned 30 June 2013. At the 2003 Annual General Meeting, shareholders approved the termination of the retirement allowance scheme. RJ Lee received an accrued entitlement frozen at 31 October 2003.
6. AL Speed ceased being an employee of the Group on 28 February 2013 as a result of the sale of the salt business.
7. Other benefits consist of performance incentives paid upon successful completion of the Cheetham Salt divestment process.
8. In accordance with contractual entitlements, Mr J Murray's contract provided for a 12 month period of notice, of which one month was worked in June 2013 and the remaining 11 months accrued at 30 June 2013 and paid to Mr Murray in July 2013.
9. Appointed 24 June 2013.
10. Resigned 1 July 2013.

The salary package may be allocated at the executive's discretion to cash, superannuation (subject to legislative limits), motor vehicle and certain other benefits.

2012	Short Term Benefits		Post-Employment Benefits	Other	Share-Based Payments			
Name	Directors' Fees and Cash Salary $	STI $	Super-annuation $	Termination $	Performance Rights/ Options^ $	Total $	%[1]	%[2]
Directors								
JM Spark – Chairman	159,091	-	15,909	-	-	175,000	-	-
RJ Lee	106,422	-	9,578	-	-	116,000	-	-
J Murray – Managing Director^	625,500	-	50,000	-	209,243	884,743	24%	24%
AL Vizard	86,364	-	8,636	-	-	95,000	-	-
PM Mann	86,364	-	8,636	-	-	95,000	-	-
RJ van Barneveld	77,273	-	7,727	-	-	85,000	-	-
GH Weiss	77,273	-	7,727	-	-	85,000	-	-
Total Directors	**1,218,287**	**-**	**108,213**	**-**	**209,243**	**1,535,743**		
Executives								
AM Boyd	355,909	26,268	35,591	-	87,646	505,414	17%	23%
PJ Weaver[3]	361,850	70,000	25,000	297,109	66,604	820,563	8%	17%
AL Speed	344,725	22,538	15,775	-	84,604	467,642	18%	23%
CW Klem	237,325	10,982	29,508	-	40,063	317,878	13%	16%
AM Mooney	215,379	11,391	22,558	-	56,708	306,036	19%	22%
RN Lyons	261,565	10,643	26,156	-	54,458	352,822	15%	18%
S Butler	191,800	6,152	21,700	-	37,813	257,465	15%	17%
Total executives	**1,968,553**	**157,974**	**176,288**	**297,109**	**427,896**	**3,027,820**		
Total	**3,186,840**	**157,974**	**284,501**	**297,109**	**637,139**	**4,563,563**		

1. Percentage remuneration consisting of performance rights/options.
2. Percentage remuneration performance related.
3. Resigned 1 July 2012.
^ Performance rights/options as approved by shareholders at 2011 AGM.

Service agreements

Remuneration and other terms of employment for the Managing Director are formalised in a service agreement which includes provision of performance related bonuses and other benefits, and participation, when eligible, in the Ridley Corporation LTIP. Other major provisions of the agreements relating to remuneration are set out below.

TJ Hart, appointed CEO Designate on 2 April 2013, and appointed CEO and Managing Director on 1 July 2013:

- Base remuneration, inclusive of superannuation and any elected benefits, initially of $700,000 but to be reviewed annually commencing on 1 July 2014.
- Sign-on bonus of $70,000 paid in the year ended 30 June 2013.
- Pro rata participation in the Ridley STI scheme for the period of employment from 2 April 2013 to 30 June 2013 with non-financial key performance measures and thereafter participation up to 100% of total base remuneration based on the achievement of certain agreed KPIs as approved by the Board, including Ridley financial performance measures.
- Eligible to participate in the Ridley LTIP effective from 1 July 2013 and Ridley to use its best endeavours to obtain shareholder approval for the issue of equity securities under the scheme.
- Ridley may terminate the contract immediately for cause and with a 12 month period of notice without cause, being inclusive of any redundancy benefits payable to the executive. Payment of termination benefit on early termination by the employer is not to exceed the threshold above which shareholder approval is required under the Corporations Act 2001, and comprises any amount of the total remuneration package accrued but unpaid at termination, plus accrued but unpaid leave entitlements, and any other entitlements accrued under applicable legislation.
- The executive may resign at any time and for any reason by giving Ridley three months notice in writing.

J Murray, Managing Director until 1 July 2013:

- Mr Murray's contract of employment as CEO and Managing Director of Ridley was for a four year tenure ending on 19 November 2014. During the year, separation arrangements were agreed between Ridley and Mr Murray about arrangements for Mr Murray to cease being employed in that position and to be employed in a new role by Ridley from 2 July 2013.
- Mr Murray participated in the Ridley LTIP for the entire 2013 financial year and his awarded entitlement been brought to account at 30 June 2013 ($480,423) and reflected in the remuneration table for the year, together with the benefit paid to Mr Murray for the successful completion of the Cheetham Salt divestment ($137,264). Mr Murray's key performance measures were reset during the year to provide an appropriate incentive to facilitate a seamless transition and exit.
- Under the separation arrangements, Mr Murray worked one month (June 2013) of his contracted 12 month notice period with the remaining 11 months accrued at 30 June 2013 and paid out in July 2013. Payments to Mr Murray under the separation arrangements have not exceeded the threshold above which shareholder approval is required under the Corporations Act 2001.
- Mr Murray's performance and retention rights awarded to him under the Ridley LTIP and SRP have been preserved given his continued employment within the Group.
- Mr Murray's Non-Executive role as Chair of the Ridley property realisation holding entity Ridley Land Corporation Pty Ltd includes oversight of the Group's surplus land realisation developments in Victoria, South Australia and Queensland, for which Mr Murray will receive remuneration of $150,000 per annum.

Other senior executives have individual contracts of employment but with no fixed term of employment.

Notice periods

The notice period for terminating employment of key management personnel ranges from three months to six months for executives and 12 months for the Managing Director. The Managing Director may resign at any time and for any reason by giving Ridley three months notice in writing.

For each STI and grant of options and performance rights included in the above remuneration tables, the percentage of the available STI or grant that was paid, or that vested, in the financial year, and the percentage that was forfeited because the person did not meet the service and performance criteria, are set out below.

STI Payment

Name	Total potential of base salary %	2013 Paid %	2013 Forfeited %	2012 Paid %	2012 Forfeited %
TJ Hart	100	71	29	-	-
J Murray	100	70	30	0	100
AM Boyd	50	27	23	7	43
PJ Weaver[1]	50	-	-	19	31
AL Speed[2]	50	-	-	6	44
CW Klem	30	15	15	4	26
AM Mooney*	30	14	16	4	26
RN Lyons	30	13	17	4	26
S Butler	30	13	17	3	27

* Eight months following return from maternity leave.
1. Resigned 1 July 2012.
2. Ceased being an employee of the Group on 28 February 2013 as a result of the sale of the salt business.

Equity instrument disclosures relating to Directors and executives

Performance rights provided as remuneration

Details of Rights over ordinary shares in the Company provided as remuneration to the Managing Director of Ridley Corporation Limited and each of the other key management personnel of the Group are set out below. When exercisable, each performance right is convertible into one ordinary share of Ridley Corporation Limited. Non-Executive Directors do not participate in the LTIP and are therefore ineligible to receive Rights.

Long Term Incentive Plan (LTIP)

Recipients of LTIP Rights	Balance at 1 July 2012	Granted	Vested	Forfeited	Balance at 30 June 2013[1]	Date Exercised	Value per Share at Date of Exercise
Directors							
J Murray	1,243,000	-	-	-	1,243,000	-	-
Key management personnel							
AM Boyd	400,000	-	-	-	400,000	-	-
PJ Weaver[2]	475,000	-	(109,727)	(365,273)	-	11 July 2012	$1.01
AL Speed[3]	475,000	-	(226,170)	(248,830)	-	05 December 2012, 28 March 2013	$1.14 $0.95
CW Klem	225,000	-	-	-	225,000	-	-
AM Mooney	300,000	-	-	-	300,000	-	-
RN Lyons	300,000	-	-	-	300,000	-	-
S Butler	225,000	-	-	-	225,000	-	-
Total issued to Directors and key management personnel	**3,643,000**	**-**	**(335,897)**	**(614,103)**	**2,693,000**	**-**	**-**

1. Performance rights are due to vest between December 2013 through to December 2014.
2. Resigned 1 July 2012.
3. Ceased being an employee of the Group on 28 February 2013 as a result of the sale of the salt business.

Ridley Corporation Special Retention Plan (SRP)

Recipients of SRP rights	Balance at 1 July 2012	Granted	Vested	Forfeited	Balance at 30 June 2013	Date Exercised	Value per Share at Date of Exercise
Directors							
J Murray	600,000	-	-	-	600,000	-	-
Key management personnel							
AM Boyd	200,000	-	-	-	200,000	-	-
AL Speed[1]	200,000	-	(200,000)	-	-	28 March 2013	$0.95
CW Klem	150,000	-	-	-	150,000	-	-
AM Mooney	150,000	-	-	-	150,000	-	-
RN Lyons	125,000	-	-	-	125,000	-	-
S Butler	125,000	-	-	-	125,000	-	-
Total issued to Directors and key management personnel	**1,550,000**	**-**	**(200,000)**	**-**	**1,350,000**	**-**	**-**

1. Ceased being an employee of the Group on 28 February 2013 as a result of the sale of the salt business.

Lead Auditor's Independence Declaration

KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the Directors of Ridley Corporation Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2013 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

BW Szentirmay
Partner

Melbourne
21 August 2013

Consolidated Statement of Profit or Loss

For the year ended 30 June 2013

	Note	2013 $'000	2012 $'000 Restated*
Revenue from continuing operations	2	**716,318**	635,792
Cost of sales		**(659,900)**	(580,387)
Gross profit		**56,418**	55,405
Finance income		**74**	202
Other income	2	**309**	1,487
Expenses from continuing operations			
Selling and distribution		**(9,320)**	(9,723)
General and administrative		**(23,309)**	(24,062)
Finance costs	3	**(7,811)**	(9,529)
Business restructuring	3	**(37,254)**	(375)
Share of net profits/(losses) from equity accounted investments	33	**(116)**	67
Profit/(loss) from continuing operations before income tax expense		**(21,009)**	13,472
Income tax benefit/(expense)	5	**4,423**	(6,124)
Profit/(loss) from continuing operations after income tax expense		**(16,586)**	7,348
Profit/(loss) from discontinued operation (net of tax)	4	**(5,108)**	11,905
Net profit/(loss) after tax attributable to members of Ridley Corporation Limited		**(21,694)**	19,253
Earnings per share			
Basic earnings per share – continuing*	29	**(5.4c)**	2.4c
Basic earnings per share	29	**(7.0c)**	6.3c
Diluted earnings per share – continuing*	29	**(5.4c)**	2.4c
Diluted earnings per share	29	**(7.0c)**	6.3c

* The 2012 Consolidated Statement of Profit or Loss has been restated for the effect of Cheetham Salt being classified as discontinued (refer note 4).

The above Consolidated Statement of Profit or Loss should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2013

	Note	2013 $'000	2012 $'000 Restated*
Net profit/(loss) after tax attributable to members of Ridley Corporation Limited		**(21,694)**	19,253
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Actuarial gain/(loss) on defined benefit superannuation	24	**372**	(377)
Income tax		**(112)**	113
Revaluation of salt fields	10	**(29,529)**	-
Income tax		**11,099**	-
Exchange differences on translation of foreign operations	16	**(352)**	(345)
Other comprehensive income for the year, net of tax		**(18,522)**	(609)
Total comprehensive income for the year		**(40,216)**	18,644
Total comprehensive income for the year is attributable to:			
Ridley Corporation Limited		**(40,216)**	18,644

* The 2012 Consolidated Statement of Comprehensive Income has been restated for the effect of Cheetham Salt being classified as discontinued (refer note 4) and to show the effect of the voluntary change in accounting policy (refer note 1).

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

For personal use only

Consolidated Balance Sheet

As at 30 June 2013

	Note	2013 $'000	2012 $'000 Restated*	2011 $'000 Restated*
Current assets				
Cash and cash equivalents		**16,936**	7,228	13,247
Receivables	7	**91,852**	84,259	88,969
Inventories	8	**60,412**	79,723	91,533
Assets held for sale	4	**670**	4,017	-
Tax receivable	12	**412**	1,588	-
Total current assets		**170,282**	176,815	193,749
Non current assets				
Investments accounted for using the equity method	33	**2,194**	52,521	52,486
Investment properties	9	**38,451**	-	-
Property, plant and equipment	10	**118,079**	221,879	219,989
Intangible assets	11	**77,979**	44,771	44,416
Inventories	8	**360**	3,575	-
Deferred tax asset	12	**3,281**	-	-
Total non-current assets		**240,344**	322,746	316,891
Total assets		**410,626**	499,561	510,640
Current liabilities				
Payables	13	**152,574**	95,266	92,695
Borrowings	28	**-**	40,712	1,932
Tax liabilities	12	**-**	1,035	1,551
Provisions	14	**12,702**	10,005	14,267
Retirement benefit obligations	24	**109**	-	-
Derivative financial instruments	17	**-**	-	8
Total current liabilities		**165,385**	147,018	110,453
Non-current liabilities				
Borrowings	28	**34,771**	64,667	113,454
Deferred tax liabilities	12	**-**	7,493	2,793
Provisions	14	**2,917**	1,396	1,050
Retirement benefit obligations	24	**-**	616	272
Total non-current liabilities		**37,688**	74,172	117,569
Total liabilities		**203,073**	221,190	228,022
Net assets		**207,553**	278,371	282,618
Equity				
Share capital	15	**214,445**	237,531	237,531
Reserves	16	**1,487**	25,372	25,002
Retained earnings	16	**(8,379)**	15,468	20,085
Total equity		**207,553**	278,371	282,618

* See note 1 – The comparative statements as at 30 June 2012 and 2011 have been restated to show the effect of the voluntary change in accounting policy.

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2013

	Share Capital	Revaluation Reserve	Share Based Payment Reserve	Foreign Currency Translation Reserve	Retained Earnings	Total
	Note 15 $'000	Note 16 $'000	Note 16 $'000	Note 16 $'000	Note 16 $'000	$'000
Balance at 1 July 2012[1]	**237,531**	**25,971**	**671**	**(1,270)**	**15,468**	**278,371**
Profit/(loss) for the year	-	-	-	-	(21,694)	(21,694)
Other comprehensive income						
Revaluation of salt fields, net of tax	-	(29,529)	-	-	-	(29,529)
Deferred tax on disposal of salt fields	-	11,099	-	-	-	11,099
Actuarial gain/(loss) on defined benefit superannuation and pension plans, net of tax	-	-	-	-	260	260
Exchange differences on translation of foreign operations	-	-	-	(352)	-	(352)
Total other comprehensive income for the year	**-**	**(18,430)**	**-**	**(352)**	**260**	**(18,522)**
Transactions with owners recorded directly in equity						
Dividends paid	-	-	-	-	(11,543)	(11,543)
Capital return	(23,086)	-	-	-	-	(23,086)
Share based payment transactions	-	-	816	-	(190)	626
Total transactions with owners recorded directly in equity	**(23,086)**	**-**	**816**	**-**	**(11,733)**	**(34,003)**
Disposal of subsidiary	-	(7,541)	-	1,622	9,320	3,401
Balance at 30 June 2013	**214,445**	**-**	**1,487**	**-**	**(8,379)**	**207,553**

1. See note 1: The comparative statements as at 30 June 2012 and 2011 have been restated to show the effect of the voluntary change in accounting policy.

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2012

	Share Capital	Revaluation Reserve	Share Based Payment Reserve	Foreign Currency Translation Reserve	Retained Earnings	Total
	Note 15 $'000	Note 16 $'000	Note 16 $'000	Note 16 $'000	Note 16 $'000	$'000
Balance at 1 July 2011 [1]	**237,531**	**25,971**	**(44)**	**(925)**	**20,085**	**282,618**
Profit for the period	-	-	-	-	19,253	19,253
Other comprehensive income						
Actuarial gain/(loss) on defined benefit superannuation and pension plans, net of tax	-	-	-	-	(264)	(264)
Exchange differences on translation of foreign operations	-	-	-	(345)	-	(345)
Total other comprehensive income for the year	**-**	**-**	**-**	**(345)**	**(264)**	**(609)**
Transactions with owners recorded directly in equity						
Dividends paid	-	-	-	-	(23,086)	(23,086)
Share based payment transactions	-	-	715	-	(520)	195
Total transactions with owners recorded directly in equity	**-**	**-**	**715**	**-**	**(23,606)**	**(22,891)**
Balance at 30 June 2012	**237,531**	**25,971**	**671**	**(1,270)**	**15,468**	**278,371**

1. See note 1: The comparative statements as at 30 June 2012 and 2011 have been restated to show the effect of the voluntary change in accounting policy.

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows
For the year ended 30 June 2013

	Note	2013 $'000	2012 $'000
Cash flows from operating activities			
Receipts from customers		**857,904**	839,761
Payments to suppliers and employees		**(805,575)**	(782,549)
Dividends received		**8,287**	6,805
Interest received		**74**	202
Other income received		**321**	741
Interest and other costs of finance paid		**(8,095)**	(9,126)
Income taxes paid		**(333)**	(4,938)
Net cash inflow from operating activities	26	**52,583**	50,896
Cash flows from investing activities			
Acquisition of business operations	34	**(80,740)**	(6,871)
Payments for property, plant and equipment		**(22,260)**	(22,422)
Payments for intangibles		**(533)**	(1,144)
Proceeds from disposal of discontinued operations, net of cash disposed		**144,640**	-
Proceeds from sale of non-current assets		**-**	7,876
Net cash inflow/(outflow) from investing activities		**41,107**	(22,561)
Cash flows from financing activities			
Share based payment transactions		**(2,056)**	(1,476)
Repayment of borrowings		**(70,499)**	(10,007)
Dividends paid		**(11,427)**	(22,871)
Net cash (outflow) from financing activities		**(83,982)**	(34,354)
Net increase/(decrease) in cash held		**9,708**	(6,019)
Cash at the beginning of the financial year		**7,228**	13,247
Cash at the end of the financial year		**16,936**	7,228
Non-cash financing and investing activities	27		

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Note 1. Summary of significant accounting policies

Ridley Corporation Limited (the Company) is a company limited by shares, incorporated and domiciled in Australia and whose shares are publicly traded on the Australian Securities Exchange. The consolidated financial statements as at and for the year ended 30 June 2013 comprise Ridley Corporation Limited, the 'parent entity', its subsidiaries and the Group's interest in equity accounted investments. Ridley Corporation Limited and its subsidiaries together are referred to in this Financial Report as 'the Group'. The Group is a for-profit entity and having divested its salt business during the year, is primarily involved in the manufacture of animal nutrition solutions.

The Financial Report was authorised for issue by the Directors on 21 August 2013.

The principal accounting policies adopted in the preparation of the Financial Report are set out below. These policies have been consistently applied to all the years presented, except for the change in accounting policy outlined below. Certain comparative amounts have been reclassified to conform with the current year's presentation.

Basis of preparation

Statement of compliance

These consolidated financial statements are general purpose financial statements prepared in accordance with Australian Accounting Standards (AASBs) (including Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

Change in accounting policy

The following change in accounting policy has been made in the financial year.

Land and buildings valuation

A new accounting policy was adopted on 1 July 2012 and has been applied retrospectively. The new accounting policy is that land and buildings are stated at cost or deemed cost less accumulated depreciation and impairment. The previous accounting policy was that land and buildings are measured at fair value, based on periodic, but at least triennial, valuations by external independent valuers.

The Group considers that the change in policy will result in the Financial Report providing more relevant and no less reliable information because it leads to asset values which more accurately reflect the nature and intended use of the assets and the way in which future economic benefits arising from the assets are expected to flow to the Group, thereby also improving reliability of measurement.

Given that for most of the Group's properties, there is limited comparable sales information available due to their remote location, it was considered appropriate to change the accounting policy.

The policy change is also reflective of the fact that land and buildings are associated with core ongoing operations of the business (other than those held for sale which are separately accounted for under AASB 5 Non-current Assets Held for Sale and discontinued operations). The historical cost less depreciation model is also consistent with that adopted by the majority of companies operating in Ridley's agribusiness sector.

The impact of the change in accounting policy on the Consolidated Balance Sheet is as follows:

$'000	Property, Plant and Equipment	Deferred Tax	Net Assets/ Total Equity	Reserves	Retained Earnings
Balance as reported at 30 June 2011	233,383	7,835	290,970	36,294	17,145
Effect of policy change	(13,394)	(5,042)	(8,352)	(11,292)	2,940
Restated balance at 30 June 2011	**219,989**	**2,793**	**282,618**	**25,002**	**20,085**
Balance as reported at 30 June 2012	239,033	12,535	290,483	37,484	15,468
Effect of policy change	(17,154)	(5,042)	(12,112)	(12,112)	-
Restated balance at 30 June 2012	**221,879**	**7,493**	**278,371**	**25,372**	**15,468**

The Group has decreased land and buildings by reversing the historical uplift recorded in the Asset Revaluation Reserve, thereby ascribing the carrying value as at 1 July 2010 to be the deemed cost. As a result, the related Deferred Tax Liability was reversed. The periodic revaluations to land and buildings have not been material since the transition to IFRS on 1 July 2005.

The change in accounting policy had an immaterial impact on the Condensed Statement of Profit or Loss and earnings per share for the current and comparative periods.

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items in the balance sheet:

- derivative financial instruments at fair value through profit or loss;
- salt fields which are measured at fair value; and
- cash settled share based payment arrangements, which are measured at fair value.

Functional and presentation currency

The consolidated financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Rounding of amounts

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial report. Amounts in the consolidated financial statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Estimated impairment of goodwill and other non-current assets

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy for intangible assets. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). The recoverable amounts of cash generating units have been determined by value in use calculations that require the use of key assumptions including future cash flows, discount rates and growth rates and estimated cost of remediation.

(ii) Defined benefit superannuation

The Group has obligations for defined benefit superannuation. The value of the obligations is based on independent actuarial valuations.

(iii) Salt fields valuations

Salt fields are valued on a value in use basis by external independent valuers. The salt field valuations require the use of key assumptions, being the future cash flows, discount rates and growth rates and estimated cost of remediation.

Basis of consolidation – business combinations

For every business combination, the Group identifies the acquirer, which is the combining entity that obtains control of the other combining entities or businesses. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Note 1. Summary of significant accounting policies continued

Measuring goodwill

The Group measures goodwill as the fair value of the consideration transferred less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Transaction costs that the Group incurs in connection with a business combination, such as legal, due diligence and other professional and consulting fees are expensed as incurred.

Subsidiaries

Subsidiaries are all those entities, including special purpose entities, over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Associates and joint venture entities

Associates and joint venture entities are those entities over which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed when the Group holds between 20% and 50% of the voting rights. Investments in associates and joint venture entities are accounted for in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost. The Group's investment in associates and joint venture entities includes goodwill identified on acquisition, net of any accumulated impairment losses.

The Group's share of its associates' and joint venture entities' post acquisition profits or losses is recognised in the statement of profit or loss, and its share of post acquisition movements in reserves is recognised in reserves. The cumulative post acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable reduce the carrying amount of the investment.

Unrealised gains on transactions between the Group and its associates and joint venture entities are eliminated to the extent of the Group's interests in the associates and joint venture entities. Accounting policies of associates and joint venture entities have been changed where necessary to ensure consistency with the policies adopted by the Group.

Segment reporting

The Group determines and presents operating segments based on information that internally is provided to the Managing Director, who is the Group's chief operating decision maker. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All segments' operating results are regularly reviewed by the Group's Managing Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Managing Director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses and income tax assets and liabilities. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill.

Change in operating segments

During the financial year, the Group has increased its operating segments from two to three, to include an additional segment for property realisation. The Group continues to pursue value creation strategies for non-operating sites and management believes that the disclosure of this segment would now be useful to users of the financial statements. Comparative amounts have been adjusted accordingly.

As such, the Group now has three reportable segments, as described below, which are the Group's strategic business units. The Group has identified its operating segments based on internal reports that are reviewed and used by the Managing Director in assessing performance and in determining the allocation of resources. The operating segments identified by management are consistent with the manner in which products are sold or how future economic benefits will be realised. Discrete financial information about each of these operating businesses is reported to the Managing Director and his management team on at least a monthly basis.

The following summary describes the operations in each of the Group's reportable segments:

AgriProducts	Produces and markets stock and poultry feeds, aqua-feeds, animal protein meals, vitamin and mineral supplements.
Salt discontinued operations	Produces, refines and markets salt and has investments in equity accounted investments.
Salt retained operation	Produced and sold salt to Penrice under a long term Supply Agreement which was terminated on 1 July 2013.
Property realisation	Realisation of opportunities in respect of surplus property assets.

The basis of inter-segmental transfers is market pricing. Results are calculated on a before net borrowing costs and tax expense basis. Segment assets exclude deferred tax balances and cash, which have been included as unallocated assets.

Foreign currency

(i) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition are translated to Australian dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and in the foreign currency translation reserve (FCTR). When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to the statement of profit or loss as part of the profit or loss on disposal.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation, are recognised in other comprehensive income, and are presented within equity in the FCTR.

Investment properties

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition. Cost includes expenditure that is directly attributable to the acquisition of the investment property. Expenditure capitalised to investment properties includes the cost of acquisition, capital and remediation additions.

Depreciation is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, for buildings over 40 years.

Any gain or loss on disposal of an investment property is recognised in profit and loss.

Property, plant and equipment

Land and buildings are stated at cost or deemed cost less accumulated depreciation and impairment.

Salt fields are measured at fair value, based on periodic, but at least triennial, valuations by external independent valuers.

All other property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

Note 1. Summary of significant accounting policies continued

Increases in the carrying amounts arising on revaluation of salt fields are credited, net of tax, to the revaluation reserve in equity. To the extent that the increase reverses a decrease previously recognised in the statement of profit or loss, the increase is first recognised in the statement of profit or loss. Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset; all other decreases are charged to the statement of profit or loss.

Land and salt fields are not depreciated. Depreciation of other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

- Buildings – 13 to 40 years
- Plant and equipment – 2 to 30 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at each balance sheet date.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss. When revalued assets are sold, it is Group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets and financial assets. A disposal group as a whole is measured at the lower of its carrying amount and its fair value less cost to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Current assets, deferred tax assets and liabilities, employee benefits and financial instruments within a disposal group are measured in accordance with the relevant accounting standards. Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss.

Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability.

No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Tax consolidation

Ridley Corporation Limited and its wholly owned Australian controlled entities are part of a tax consolidated group. The entities in the tax consolidated group are part a tax sharing agreement which limits the joint and several liability of the wholly-owned entities in the case of a default by the head entity, Ridley Corporation Limited. The agreement provides for the allocation of income tax liabilities between the entities should Ridley Corporation Limited default on its payment obligations. At balance date the possibility of default is considered to be remote.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate Ridley Corporation Limited for any current tax payable assumed and are compensated by Ridley Corporation Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Ridley Corporation Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements. Amounts payable and receivable between Ridley Corporation Limited and the wholly-owned entities are settled through the intercompany accounts.

Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial assets:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Cash

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Note 1. Summary of significant accounting policies continued

(ii) Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial liabilities: loans and borrowings, bank overdrafts and trade and other payables. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest rate method.

(iii) Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in the statement of profit or loss.

Finance costs

Finance costs include interest, unwinding of the effect of discounting on provisions, amortisation of discounts or premiums relating to borrowings and amortisation of ancillary costs incurred in connection with the arrangement of borrowings, including lease finance charges. Borrowing costs are expensed as incurred unless they relate to qualifying assets, being assets which normally take more than 12 months from commencement of activities necessary to prepare for their intended use or sale to the time when substantially all such activities are complete. Where funds are borrowed specifically for the production of a qualifying asset, the interest on those funds is capitalised, net of any interest earned on those borrowings. Where funds are borrowed generally, borrowing costs are capitalised using a weighted average interest rate.

Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary or associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates, accounted for using the equity method. Goodwill acquired in business combinations is not amortised. Instead, goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash generating units for the purpose of impairment testing.

(ii) Software

Software has a finite useful life and is carried at cost less accumulated amortisation and impaired losses. The cost of system development including purchased software is capitalised and amortised over the estimated useful life, being three to eight years. Amortisation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

(iii) Other

The other intangible asset represents acquired contractual legal rights and has a finite useful life which is amortised over five years, the period of the contractual legal rights. Amortisation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows, which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Employee benefits

(i) Defined benefit superannuation funds

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The calculations for the Group's defined benefit plan are performed annually by a qualified actuary.

A liability or asset in respect of defined benefit superannuation funds is recognised in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the fund's or plan's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the funds or plans to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using market yields at the reporting date on national Government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. Actuarial gains and losses are recognised in retained earnings via the statement of other comprehensive income.

Past service costs are recognised immediately in profit or loss, unless the changes are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight-line basis over the vesting period. Future taxes, such as taxes on investment income and employer contributions, are taken into account in the actuarial assumptions used to determine the relevant components of the employer's defined benefit liability or asset.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

(iii) Share based payments

Share based compensation benefits are provided to employees via incentive plans described in note 23.

Ridley Corporation Long Term Incentive Plan and Special Retention Plan

The fair value of performance rights granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the vesting period during which the employees become unconditionally entitled to the performance rights.

The fair value at grant date is independently determined using a binomial option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non tradeable nature of the performance rights, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the performance rights.

Ridley Employee Share Scheme

Shares issued to employees under the Ridley Employee Share Scheme vest immediately on grant date. Employees can elect to receive an interest free loan to fund the purchase of the shares. The shares issued are accounted for as 'in-substance' options which vest immediately. The fair value of these 'in-substance' options is recognised as an employee benefit expense with a corresponding increase in equity. The fair value at grant date is independently determined using a binomial option pricing model.

(iv) Wages and salaries, bonuses, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, bonuses, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date, are recognised in accruals and provisions for employee entitlements in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(v) Long service leave

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits and is measured in accordance with (iv) above. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee entitlements and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national Government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 1. Summary of significant accounting policies continued

(vi) Employee benefit on-costs

Employee benefit on-costs, including payroll tax, are recognised and included in both employee benefit liabilities and costs.

Research and development expenditure

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding is recognised in the statement of profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Capitalised development expenditure is measured at cost less accumulated depreciation and accumulated impairment losses as part of property, plant and equipment.

Inventories

Inventories are valued at the lower of cost and net realisable value. Costs are determined on the first in, first out and weighted average cost methods. Costs included in inventories consist of materials, labour and manufacturing overheads which are related to the purchase and production of inventories. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Revenue recognition

Revenue from the sale of goods in the course of ordinary business is measured at the fair value of the consideration received or receivable, net of returns, trade allowances and duties and taxes paid. Sales revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer.

The Group recognises revenue when pervasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

Interest income is recognised using the effective interest rate method.

Dividend income is recognised as revenue when the right to receive payment is established.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less allowance for doubtful debts. Collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An impairment allowance for doubtful debts is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables and where suitable insurance arrangements or collateral do not cover any uncollected amounts.

The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate, and is recognised in the statement of profit or loss.

The amount of the impairment loss is recognised in the statement of profit or loss. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited in the statement of profit or loss.

Leased assets

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits to ownership of leased non-current assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit or loss on a straight line basis over the period of the lease.

Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions for close down and restoration costs include the costs of dismantling and demolition of infrastructure and the removal of residual materials and remediation of disturbed areas. Provisions for close down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The costs are estimated on the basis of a closure plan. The cost estimates are reviewed annually during the life of the operation, based on the net present value of estimated future costs. Estimated changes resulting from new disturbance, updated cost estimates, changes to the lives of operations and revisions to discount rates are recorded as an adjustment against property, plant and equipment/investment property. These costs are then depreciated over the lives of the assets to which they relate as appropriate.

The amortisation or 'unwinding' of the discount applied in establishing the net present value of provisions is charged to the statement of profit or loss in each accounting period. The amortisation of the discount is shown in finance costs.

Share capital

Ordinary shares are classified as share capital. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, unless the GST incurred is not recoverable from the taxation authority. In this case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current receivable or payable in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flows.

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Salt fields

An external, independent valuation company, having appropriate recognised professional qualifications, values the salt fields at least every three years. Salt fields fair value is the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and seller acting at arm's length. The value of an operating business earning a fair rate of return is usually determined with regard to both asset values and the consistency and quality of earnings. The external, independent valuer believes that the Discounted Cash Flow (DCF) methodology is the most appropriate primary methodology to assess the fair value of the salt fields on the basis that medium term budgets are available and the utilisation of such a methodology would not be uncommon for an asset of this nature. The DCF method calculates the net present value, at the valuation date, of the future net cash flows the business is expected to produce. The valuer has assessed the discount rate to be in a range between 9.5% to 12.5% and a 2.5% nominal growth rate to perpetuity.

Note 1. Summary of significant accounting policies continued

(ii) Derivative financial instruments

The fair value of forward exchange contracts is estimated using listed market prices if available. If a listed market price is not available then the fair value is estimated by discounting the contractual cash flows at their forward price and deducting the current spot rate.

The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated cash flows based on the terms and maturity of each contract and using market interest rates for similar instruments at the measurement date.

(iii) Non-derivative financial assets and liabilities

The net fair value of cash and non interest bearing monetary financial assets and liabilities of the Group approximates their carrying amounts.

New accounting standards and interpretations

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2012 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods. The adoption of the revised AASB 124 Related Party Disclosures and AASB1054 Australian Additional Disclosures and AASB 2012-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project did not result in any significant changes.

The following standards, amendments and interpretations are effective for annual periods beginning after 1 July 2013 and have been identified as those which may impact the entity in the period of initial application. They have not been applied in preparing this consolidated financial report.

AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9

AASB 9 addresses the classification and measurement of financial assets and is not likely to affect the Group's accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption. The Group is yet to assess its full impact but it is not likely to have a material effect.

IFRS 11 Joint Arrangements

Addresses the accounting for joint arrangements. The standard outlines whether a joint arrangement is accounted for using the equity method or partial consolidation. The standard is not applicable until 1 January 2013. The Group is yet to assess its full impact but it is not likely to have a material effect.

AASB 13 Fair value measurement and AASB 2012-8 Amendments to Australian Accounting Standards arising from AASB 13

The amendment introduces a framework for the application of the fair value measurement technique. The Group is currently reviewing its methodologies in determining fair values and will apply the amended standard from 1 July 2013. The Group is yet to assess its full impact but it is not likely to have a material effect.

Note 2. Revenue and other income

	2013 $'000	2012 $'000
Revenue from continuing operations		
Sale of goods	**716,318**	635,792
Other income from continuing operations		
Profit on sale of property, plant and equipment	**-**	625
Profit on sale of businesses and joint venture operation	**-**	308
Foreign exchange gains – net	**12**	-
Rent received	**17**	28
Other	**280**	526
	309	1,487

Note 3. Expenses

	2013 $'000	2012 $'000
Profit from continuing operations before income tax is arrived at after charging the following items:		
Depreciation and amortisation [i]		
Buildings	**885**	741
Plant and equipment	**11,712**	7,383
Software	**1,757**	1,940
Other intangible	**170**	99
	14,524	10,163

(i) The current year depreciation expense includes an additional $2,576,000 as a result of the annual review of the useful life of plant and equipment.

	2013 $'000	2012 $'000
Finance costs		
Interest expense	**7,349**	9,476
Amortisation of borrowing costs	**462**	216
Capitalisation of borrowing costs	**-**	(163)
	7,811	9,529
Bad and doubtful debt expense – net	**330**	372
Employee benefits expense	**61,136**	54,977
Operating lease expense	**2,799**	2,688
Business restructuring		
Acquisition related costs [a]	**3,234**	375
Impairment loss on Salt goodwill [b]	**5,017**	-
Impairment loss on Dry Creek salt field [c]	**14,741**	-
Write down of Dry Creek salt inventory [d]	**10,393**	-
Write down of Dry Creek property, plant and equipment [d]	**3,869**	-
	37,254	375

(a) Acquisition related costs include $2,400,000 of stamp duty on the acquisition of the rendering business.

(b) An impairment loss of $5,017,000 in respect of the goodwill that arose from the 2005 acquisition of Dry Creek.

(c) Dry Creek was retained by Ridley after completion of the Cheetham Salt sale on 28 February 2013 and Ridley continued to service the Penrice Salt Supply Agreement until the termination of the supply agreement by Penrice on 1 July 2013. Ridley will actively continue to prepare for the redevelopment of the Dry Creek site.

Following the announcement of the sale of the Cheetham Salt business, an assessment of the carrying value of the Dry Creek salt field was required to be undertaken, based on its estimated fair value by external independent valuers. For the purposes of impairment testing, the salt field's carrying value has previously included an earnings attribution from a portfolio of customer contracts included in the 2005 Dry Creek acquisition. These contracts were serviced from Cheetham Salt sites other than Dry Creek and such contracts were included in the sale transaction.

An impairment of the Dry Creek Salt Fields, reflecting the loss to Ridley of the value pertaining to these contracts, of $15,728,000 was recognised, of which $987,000 represents a reversal of an amount against the Group Asset Revaluation Reserve with the balance resulting in an impairment loss of $14,741,000, which has been recognised in Business restructuring.

(d) The early termination of the Penrice Salt Supply Agreement rendered most of the plant and equipment at the Dry Creek site redundant. Management endeavoured to redeploy surplus assets or realise as much value as possible from sales thereof, however $3,869,000 has been recognised to write down the plant and equipment assets to their recoverable amount.

After exploring all salt export sales avenues open to Ridley not otherwise closed under the Cheetham Salt divestment agreement, the sale of 180,000 tonnes of salt at Dry Creek to Cheetham Salt has been contractually confirmed from 1 July 2013 until 30 June 2017. Except for this saleable tonnage, the remaining inventory at 30 June 2013 has been written down to nil, thereby generating a non-cash write down of $10,393,000.

Note 4. Assets held for sale and discontinued operations

	2013 $'000	2012 $'000
(i) Non-current assets held for sale		
Assets held for sale	**670**	4,017

At 30 June 2012, the Group had classified $4,017,000 of assets as held for sale relating to the proposed sale of the Ridley AgriProducts site at Dandenong and the property realisation site at Bowen. This is following management's commitment to sell these sites.

At 30 June 2013, the Group has classified the Dandenong site as held for sale. The sale process for this site commenced in the prior financial year but a sale has not yet been achieved. In the current financial year, the site has ceased all manufacturing operations and has been decommissioned in order to achieve a sale. A revised marketing campaign is expected to achieve a sale within the next 12 months. The Bowen site was withdrawn from sale due to a lack of interest in the site with a view to launching a new sale plan in the future. The Bowen site has been reclassified to Investment Properties (refer to note 9) and there is no impact on the result for the current or prior period as a result of this reclassification.

(ii) Discontinued operation

On 29 November 2012, Ridley announced the signing of agreements for the sale of Cheetham Salt Limited (Cheetham) for $150,000,000 payable fully in cash on completion. The sale was completed on 28 February 2013 and is disclosed in this Financial Report as a discontinued operation.

(a) Statement of profit or loss for discontinued operation

The financial performance and cash flow information presented are for the period 1 July 2012 to 28 February 2013 (2013 column) and the year ended 30 June 2012:

	2013 $'000	2012 $'000
Results of discontinued operation		
Sales revenue	**66,908**	98,903
Cost of sales	**(55,534)**	(79,805)
Gross profit	**11,374**	19,098
Other income	**12**	187
Expenses		
Selling and distribution	**(2,218)**	(3,274)
General and administrative	**(5,275)**	(8,374)
Share of net profits of equity accounted investments	**4,562**	6,773
Profit before income tax expense	**8,455**	14,410
Income tax expense	**(1,459)**	(978)
Profit after income tax expense	**6,996**	13,432
Loss on sale before income tax, transaction costs and transfers of reserves (refer (c) on page 77	**(952)**	-
Transaction related expenses	**(9,530)**	(1,527)
Transfer of foreign currency reserve	**(1,622)**	-
Income tax expense	**-**	-
Loss from sale of discontinued operation after income tax	**(12,104)**	(1,527)
Loss from discontinued operation after tax	**(5,108)**	11,905

	28 February 2013 $'000
(b) Effect of disposal on the financial position of the Group	
The carrying amounts of assets and liabilities as at the 28 February 2013 date of sale were:	
Assets	
Cash	**5,121**
Receivables	**15,486**
Inventories	**20,012**
Property, plant and equipment	**64,678**
Investments accounted for using the equity method	**46,486**
Deferred tax asset	**9,300**
Intangible assets	**1,294**
Total assets	**162,377**
Liabilities	
Payables	**8,867**
Tax liabilities	**193**
Provisions	**2,365**
Total liabilities	**11,425**
Carrying amount of net assets sold	**150,952**
(c) Loss on sale	
Cash consideration received	**150,000**
Carrying amount of net assets sold	**(150,952)**
Loss on carrying amount of net assets sold before transaction costs and transfers of reserves	**(952)**

	2013 $'000	2012 $'000
(d) Cash flows from discontinued operation		
Net cash inflow from ordinary activities	**14,209**	21,851
Net cash inflow/(outflow) from investing activities*	**144,053**	(6,299)
Net cash (outflow) from financing activities	**(1,207)**	(723)
Net cash inflow	**157,055**	14,829

* Includes cash consideration received of $150,000,000.

Note 5. Income tax expense

	2013 $'000	2012 $'000
(a) Income tax expense		
Current tax	**6,237**	1,687
Deferred tax	**(9,087)**	4,813
Under/(over) provided in prior years	**(114)**	602
Aggregate income tax expense/(benefit)	**(2,964)**	7,102
Income tax expense/(benefit) is attributable to:		
Profit/(loss) from continuing operations	**(4,423)**	6,124
Profit from discontinued operations	**1,459**	978
	(2,964)	7,102
(b) Reconciliation of income tax expense and pre-tax accounting profit		
Profit/(loss) from continuing operations before income tax expense	**(21,009)**	13,472
Profit/(loss) from discontinued operations before income tax expense	**(3,649)**	12,883
	(24,658)	26,355
Income tax using the Group's tax rate of 30%	**(7,397)**	7,907
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Share of net profit of equity accounted investments	**(787)**	(2,039)
Share based payments	**60**	39
Non-deductible expenses	**240**	165
Non-deductible transaction costs	**336**	417
Under/(over) provision in prior year	**(114)**	602
Research and development allowance	**(724)**	(250)
Disposal of subsidiary	**2,507**	-
Impairment	**2,555**	-
Difference in overseas tax rates	**-**	130
Other	**360**	131
Income tax expense/(benefit)	**(2,964)**	7,102
(c) Income tax recognised directly in equity		
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss but directly debited or (credited) to equity	**10,987**	113

Note 6. Dividends

				2013 $'000
Dividends paid during the year				
Year ended 30 June 2013		**Dividend paid**	**Per share**	
Final dividend in respect of the prior financial year	Fully Franked	30 September 2012	3.75 cents	**11,543**

Year ended 30 June 2012				2012 $'000
Final dividend in respect of the prior financial year	Unfranked	30 September 2011	3.75 cents	11,543
Interim dividend in respect of current financial year	Fully Franked	31 March 2012	3.75 cents	11,543
				23,086

	2013 $'000	2012 $'000
Paid in cash	**11,427**	22,871
Non-cash dividends paid on employee in-substance options	**116**	215
	11,543	23,086
Dividends not recognised at year end		
There were no dividends declared in the current financial year.		
In the prior financial year, in addition to the above dividends, since year end the Directors had approved payment of a final dividend of 3.75 cents, fully franked per fully paid share payable on 30 September 2012. The aggregate amount of the proposed dividend expected to be paid but not recognised as a liability at year end:	**-**	11,543
Dividend franking account		
Amount of franking credits available to shareholders of Ridley Corporation Limited for subsequent financial years	**2,750**	6,956

Note 7. Receivables

	2013 $'000	2012 $'000
Current		
Trade debtors	**83,125**	81,103
Less: Allowance for doubtful debts[a]	**(25)**	(252)
	83,100	80,851
Prepayments	**1,018**	3,029
Insurance income receivable	**7,734**	-
Other debtors	**-**	379
	91,852	84,259

(a) Movements in the allowance for doubtful debts are as follows:

	2013	2012
At 1 July	**252**	381
Provision for impairment recognised during the year	**117**	255
Receivables written off during the year	**(330)**	(384)
Derecognised as part of sale of discontinued operation	**(14)**	-
At 30 June	**25**	252

Note 7. Receivables continued

The allowance for doubtful debts is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivable. In determining the recoverability of the receivables, the Group considers any material changes in the credit quality of the receivable on an ongoing basis. Debts that are known to be uncollectible are written off. The allowance for doubtful debts and the receivables written off are included in 'general and administrative' expense in the statement of profit or loss and a doubtful debts allowance is created to the extent the uncollected receivables are not covered by collateral and/or credit insurance.

As at 30 June 2013, the nominal value of trade receivables impaired is $25,000 (2012: $216,000). There is adequate provision against these receivables to the extent they are not covered by collateral and/or credit insurance.

Based on historic default rates, the Group believes that, apart from those trade receivables impaired, no further impairment allowance is necessary in respect of trade receivables not past due or past due by up to 30 days, as receivables relate to customers that have a good payment record with the Group.

Ageing analysis

As at 30 June 2013, trade receivables of $5,962,000 (2012: $5,237,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is shown as follows:

	2013 $'000	2012 $'000
Past due by 0-30 days	**4,866**	3,692
Past due by 30-60 days	**691**	386
Past due by 60-90 days	**265**	390
Past due by 90 days +	**140**	769
	5,962	5,237

Note 8. Inventories

Current		
Raw materials and stores – at cost	**44,054**	44,029
Raw materials and stores – at net realisable value	**180**	-
Work in progress – at cost	**-**	11,449
Finished goods – at cost	**16,178**	24,245
	60,412	79,723
Non-current		
Raw materials and stores – at net realisable value	**360**	-
Work in progress – at cost	**-**	3,575
	360	3,575

Write-downs of inventories of salt at Dry Creek to net realisable value recognised as an expense during the year ended 30 June 2013 amounted to $10,393,000 (2012: nil). The write-downs are included in Business restructuring in the consolidated statement of profit or loss, refer to note 3.

Note 9. Investment properties

	2013 $'000	2012 $'000
Movement in investment properties		
Carrying amount at cost at 1 July	**-**	-
Transfer from assets held for sale	**1,248**	-
Transfer from property, plant and equipment	**32,703**	-
Additions – provision for remediation for Dry Creek (note 14)	**4,500**	-
Carrying amount at cost at 30 June	**38,451**	-

Investment properties comprise owned sites that have ceased operating and are held for the purpose of property realisation. The sites at Lara, Moolap and Dry Creek were reclassified to investment properties from property, plant and equipment during the year as these sites are no longer used in the ordinary course of business. The Bowen site was reclassified during the year from assets held for sale to an investment property as the site was withdrawn from sale due to a lack of interest.

A fair value range for the sites at Bowen, Lara, Moolap and Dry Creek cannot be determined reliably at the present time given that the respective locations do not have local established industrial or residential infrastructure which would enable a reliable valuation benchmark to be determined. Furthermore, the value of each site also varies significantly depending upon which stage of the progressive regulatory approvals required for redevelopment has been attained at balance date. Therefore, the value of these sites has been recorded at cost.

	2013 $'000	2012 $'000
Amounts recognised in profit and loss for investment properties:		
Direct operating expenses that did not generate rental income	**390**	-
Contractual obligations for site remediation	**3,949**	-

Note 10. Property, plant and equipment

	2013 $'000	2012 $'000	2011 $'000
Non-current			
Land and buildings			
At cost	**46,014**	42,890*	45,700*
Less: Accumulated depreciation	**(3,046)**	(3,695)	(2,731)
Total land and buildings	**42,968**	39,195	42,969
Salt fields			
Total salt fields at fair value	**-**	97,697	98,812
Plant and equipment			
At cost	**162,893**	186,167	183,230
Under construction	**6,811**	16,578	10,564
Total cost	**169,704**	202,745	193,794
Less: Accumulated depreciation	**(94,593)**	(117,758)	(115,586)
Total plant and equipment	**75,111**	84,987	78,208
Total property, plant and equipment	**118,079**	221,879	219,989

* Land and buildings has been restated for the voluntary change in accounting policy for the valuation of land and buildings as detailed in note 1.

Capitalisation of borrowing costs

During the year ended 30 June 2013, capitalised borrowing costs related to the construction of property, plant and equipment amounted to nil (2012: $163,000) with a capitalisation rate of nil (2012: 7%).

Note 10. Property, plant and equipment continued

	2013 $'000	2012 $'000
Revaluations		
The following revaluations were made in the year and recognised in the following accounts:		
Reversal of asset revaluation reserve [a]		
Salt fields	**29,529**	-
Deferred tax	**(11,099)**	-
Asset revaluation reserve	**18,430**	-

(a) Due to the sale of Cheetham Salt Limited, the Asset Revaluation Reserve attributable to salt fields was reversed in order to reflect the fair value attributable to the salt fields, with the tax relating to the salt fields within the Asset Revaluation Reserve recorded as a reduction in the balance of the deferred tax liability.

	Land and Buildings $'000	Plant and Equipment $'000	Salt Fields $'000	Total $'000
At 1 July 2011				
Cost or fair value*	45,700	193,794	98,812	338,306
Accumulated depreciation	(2,731)	(115,586)	-	(118,317)
Carrying amount at 1 July 2011	42,969	78,208	98,812	219,989
Additions	1,474	20,947	-	22,421
Acquisition of subsidiary	-	368	-	368
Disposals	(4,382)	(200)	-	(4,582)
Foreign currency exchange differences	(249)	55	-	(194)
Transfers to assets held for sale	(1,802)	(1,558)	(657)	(4,017)
Transfers from plant under construction	2,185	(1,727)	(458)	-
Depreciation	(1,000)	(11,106)	-	(12,106)
Carrying amount at 30 June 2012	**39,195**	**84,987**	**97,697**	**221,879**
Cost or fair value	42,890	202,745	97,697	343,332
Accumulated depreciation	(3,695)	(117,758)	-	(121,453)
Carrying amount at 1 July 2012	39,195	84,987	97,697	221,879
Additions	-	22,260	-	22,260
Acquisitions of businesses	15,009	22,447	-	37,456
Disposals	-	(2,301)	-	(2,301)
Disposal of subsidiary	(13,145)	(29,000)	(22,533)	(64,678)
Impairment	(1,326)	(2,543)	(14,741)	(18,610)
Revaluation	-	-	(29,529)	(29,529)
Transfer to Investment property	(1,809)	-	(30,894)	(32,703)
Foreign currency exchange differences	(34)	(31)	-	(65)
Transfers from plant under construction	6,163	(6,163)	-	-
Depreciation	(1,085)	(14,545)	-	(15,630)
Carrying amount at 30 June 2013	**42,968**	**75,111**	**-**	**118,079**
At 30 June 2013				
Cost	46,014	169,704	-	215,718
Accumulated depreciation	(3,046)	(94,593)	-	(97,639)
Carrying amount at 30 June 2013	**42,968**	**75,111**	**-**	**118,079**

* Land and buildings has been restated for the voluntary change in accounting policy for the valuation of land and buildings as detailed in note 1.

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Note 11. Intangible assets

	Software $'000	Goodwill $'000	Other $'000	Total $'000
Year ended 30 June 2012				
Carrying amount at 1 July 2011	13,132	31,284	-	44,416
Additions	1,144	-	-	1,144
Acquisition of businesses	-	908	850	1,758
Amortisation charge	(2,199)	-	(99)	(2,298)
Disposals	(249)	-	-	(249)
Closing balance at 30 June 2012	**11,828**	**32,192**	**751**	**44,771**
At 30 June 2012				
Cost	19,834	33,145	850	53,829
Accumulated amortisation/impairment losses	(8,006)	(953)	(99)	(9,058)
Carrying amount at 30 June 2012	**11,828**	**32,192**	**751**	**44,771**
Year ended 30 June 2013				
Carrying amount at 1 July 2012	11,828	32,192	751	44,771
Additions	533	-	-	533
Acquisition of businesses	-	41,775	-	41,775
Amortisation	(1,972)	-	(170)	(2,142)
Impairment	-	(5,017)	-	(5,017)
Disposal of subsidiary	(1,294)	-	-	(1,294)
Disposals	(647)	-	-	(647)
Closing balance at 30 June 2013	**8,448**	**68,950**	**581**	**77,979**
At 30 June 2013				
Cost	18,426	69,903	850	89,179
Accumulated amortisation/impairment losses	(9,978)	(953)	(269)	(11,200)
Carrying amount at 30 June 2013	**8,448**	**68,950**	**581**	**77,979**

The amortisation charge is included in general and administrative costs in the consolidated statement of profit or loss.

Impairments during the year

An impairment loss of $5,017,000 (2012: nil) in respect of the goodwill that arose from the 2005 acquisition of Dry Creek has been recognised in Business restructuring in the consolidated statement of profit or loss.

Impairment testing for goodwill

The Group's cash generating unit (CGU) level summary is presented below:

	Salt $'000	Animal Meals $'000	Other $'000	Total $'000
2013	**-**	**56,616**	**12,334**	**68,950**
2012	5,017	16,322	10,853	32,192

The recoverable amount of a CGU is based on value-in-use calculations. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

(i) Cash flow forecasts are based on the 2014 Board approved budget, projected for four years plus a terminal value.

(ii) Forecast growth rates are based on management's expectations of future performances. The growth rates applied to cash flows beyond one year were 3% (2012: 3%). A growth rate of 3% is applied to the terminal value.

(iii) Discount rates used are the weighted average cost of capital for the Group. The post-tax discount rate applied to cash flows was 9.2% (2012: 9.0%).

These assumptions have been used for the analysis in each CGU of goodwill within the business segment of continuing operations.

Note 11. Intangible assets continued

Impact of possible changes in key assumptions

Whilst all CGUs in the Group have been tested for impairment and have met their required hurdle rates to support the current carrying values, the reduction in earnings outlook for the Ruminant CGU following the 2013 financial year baseline has significantly eroded the impairment headroom. Recent internal reorganisation and the benefits from the new Pakenham mill are expected to improve the outlook for this sector, however any significant deterioration in the discount rate or earnings profile for the Ruminant CGU will raise impairment concerns in the future. The estimated recoverable amount of the Ruminant CGU exceeds its carrying amount by approximately $7,214,000. The change required for the Ruminant CGU carrying amount to equal the recoverable amount is a discount rate increase of 1.5% or a decrease in the growth rate of 2.1%, all other things being equal.

	2013 $'000	2012 $'000
Note 12. Tax assets and liabilities		
Current		
Tax asset	**412**	1,588
Tax liability	**-**	1,035
Non-current		
Deferred tax asset	**3,281**	-
Deferred tax liability*	**-**	7,493

* The deferred tax liability has been restated for the voluntary change in accounting policy for the valuation of land and buildings as detailed in note 1.

Movement in deferred tax asset/(liability)	2013 $'000	2012 $'000
Balance at 1 July	**(7,493)**	(2,793)
Credited/(charged) to the statement of profit or loss (note 5)	**9,087**	(4,813)
Credited to comprehensive income	**10,987**	113
Disposal of subsidiary	**(9,300)**	-
Balance at 30 June	**3,281**	(7,493)

The amount of unused tax losses for which no deferred tax asset is recognised in the balance sheet is nil (2012: $1,816,000). The tax losses in the prior year related to the Group's Japanese operations within the discontinued operation and were transferred as part of the sale of discontinued operation on 28 February 2013.

Recognised deferred tax assets and liabilities

	Assets		Liabilities		Net	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Consolidated						
Intangibles	**-**	284	**(2,794)**	-	**(2,794)**	284
Doubtful debts	**7**	72	**-**	-	**7**	72
Property, plant and equipment	**6,866**	-	**(6,832)**	(12,789)	**34**	(12,789)
Employee entitlements	**4,055**	3,421	**-**	-	**4,055**	3,421
Retirement benefits	**33**	185	**-**	-	**33**	185
Provisions	**30**	587	**-**	-	**30**	587
Other	**1,916**	747	**-**	-	**1,916**	747
Tax assets/(liabilities)	**12,907**	5,296	**(9,626)**	(12,789)	**3,281**	(7,493)

	Balance 1 July 2011 $'000	Recognised in Profit or Loss $'000	Recognised in Other Comprehensive Income $'000	**Balance 30 June 2012 $'000**	**Recognised in Profit or Loss $'000**	**Recognised in Other Comprehensive Income $'000**	**Disposal of Subsidiary $'000**	**Balance 30 June 2013 $'000**
Consolidated								
Intangibles	284	-	-	**284**	(3,078)	-	-	**(2,794)**
Doubtful debts	161	(89)	-	**72**	(65)	-	-	**7**
Property, plant and equipment	(8,449)	(4,340)	-	**(12,789)**	11,206	11,099	(9,482)	**34**
Employee entitlements	4,149	(728)	-	**3,421**	634	-	-	**4,055**
Retirement benefits	91	(19)	113	**185**	(40)	(112)	-	**33**
Provisions	402	185	-	**587**	(577)	-	20	**30**
Other	569	178	-	**747**	1,007	-	162	**1,916**
Tax asset/(liability)	(2,793)	(4,813)	113	**(7,493)**	9,087	10,987	(9,300)	**3,281**

Note 13. Payables

	2013 $'000	2012 $'000
Current		
Trade creditors and accruals	**121,754**	95,266
Capital return	**23,086**	-
Other creditors	**7,734**	-
	152,574	95,266

Note 14. Provisions

	2013 $'000	2012 $'000
Current		
Employee entitlements	**9,889**	10,005
Provision for remediation	**2,213**	-
Contingent consideration	**600**	-
	12,702	10,005
Non-current		
Employee entitlements	**1,181**	1,396
Provision for remediation	**1,736**	-
	2,917	1,396

Movement in provisions	**Contingent Consideration**	**Remediation**
Balance at 30 June 2012	**-**	-
Acquisition of businesses	**600**	-
Provision recognised for remediation of Dry Creek	**-**	**4,500**
Provision utilisation	**-**	**(551)**
Balance at 30 June 2013	**600**	**3,949**

Note 15. Share capital

	Parent Entity	
	2013 $'000	2012 $'000
Fully paid up capital: 307,817,071 ordinary shares with no par value (2012: 307,817,071)	**214,445**	237,531

(a) Movements in ordinary share capital

Date	Details	Number of Shares	$'000
30 June 2012	Balance at 30 June 2012	307,817,071	237,531
24 June 2013	Capital return (c)	-	(23,086)
30 June 2013	**Balance at 30 June 2013**	**307,817,071**	**214,445**

(b) Ordinary shares

Ordinary shares entitle the holder to receive dividends and the proceeds on winding up the interest in proportion to the number of shares held. On a show of hands, every shareholder present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote.

(c) Capital return

Ridley Corporation Ltd shareholders approved on the 24 June 2013 for each registered holder of fully paid ordinary shares on 2 July 2013 to receive a capital return of 7.5 cents per share payable on 5 July 2013. This was recognised in current payables at 30 June 2013 (refer note 13).

(d) Capital risk management

The Group manages capital to ensure it maintains optimal returns to shareholders and benefits for other stakeholders. The Group also aims to maintain a capital structure that ensures the optimal cost of capital available to the Group.

The Group reviews and where appropriate adjusts the capital structure to take advantage of favourable costs of capital or high returns on assets. The Group may change the amount of dividends to be paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital through the gearing ratio (net debt/total equity). The gearing ratios as at 30 June are as follows:

	2013 $'000	2012 $'000
Gross debt	**34,771**	105,379
Less: cash	**(16,936)**	(7,228)
Net debt	**17,835**	98,151
Total equity	**207,553**	278,371
Gearing ratio	**8.6%**	35.3%

Note 16. Reserves and retained earnings

(a) Reserves

	2013 $'000	2012 $'000	2011 $'000
Revaluation reserve	**-**	25,971*	25,971*
Share based payments reserve	**1,487**	671	(44)
Foreign currency translation reserve	**-**	(1,270)	(925)
	1,487	25,372	25,002

Movements:			
Revaluation reserve			
Balance at 1 July	**25,971**	25,971*	25,971*
Revaluation	**(29,529)**	-	-
Deferred tax on revaluation	**11,099**	-	-
Transfer to retained earnings on disposal of subsidiary	**(7,541)**	-	-
Balance at 30 June	**-**	25,971	25,971

	2013 $'000	2012 $'000	2011 $'000
Share based payments reserve			
Balance at 1 July	**671**	(44)	(250)
Options and performance rights expense	**2,691**	1,266	928
Share based payment transactions	**(2,065)**	(1,071)	(1,326)
Retained earnings transfer	**190**	520	604
Balance at 30 June	**1,487**	671	(44)
Foreign currency translation reserve			
Balance at 1 July	**(1,270)**	(925)	(211)
Currency translation differences arising during the year	**(352)**	(345)	(714)
Disposal of subsidiary	**1,622**	-	-
Balance at 30 June	**-**	(1,270)	(925)

(b) Retained earnings

	2013 $'000	2012 $'000	2011 $'000
Balance at 1 July	**15,468**	20,085	14,629
Actuarial profits/(losses) on defined benefit superannuation – net of tax	**260**	(264)	(170)
Net profit/(loss) for the year	**(21,694)**	19,253	29,316
Dividends paid	**(11,543)**	(23,086)	(23,086)
Share based payments reserve transfer	**(190)**	(520)	(604)
Disposal of subsidiary	**9,320**	-	-
Balance at 30 June	**(8,379)**	15,468	20,085

* The revaluation reserve has been restated for the voluntary change in accounting policy for the valuation of land and buildings as detailed in note 1.

(c) Nature and purpose of reserves

(i) Revaluation reserve

Revaluation reserve is used to record increments and decrements on the revaluation of certain non-current assets.

(ii) Share based payments reserve

The share based payments reserve is used to recognise the fair value of performance rights and shares under the employee share scheme which have been issued but not exercised.

(iii) Foreign currency translation reserve

Exchange differences arising on translation of the discontinued foreign controlled entity are taken to the foreign currency translation reserve. The reserve was recognised in the statement of profit or loss as the foreign controlled entity was disposed of as part of the sale of the Cheetham Salt group on 28 February 2013.

Note 17. Financial risk management

Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency, fair value interest rate and price), credit, liquidity and cash flow interest rate risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments, such as foreign exchange contracts and interest rate swaps, to hedge certain risk exposures.

Risk management is carried out by management under policies approved by the Board of Directors. Management evaluates and hedges financial risks where appropriate. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as mitigating foreign exchange, interest rate and credit risks and investing excess liquidity.

(a) Market risk

Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the relevant entity's functional currency. The Group is exposed to foreign exchange risk through the purchase and sale of goods in foreign currencies.

Note 17. Financial risk management continued

Forward contracts and foreign currency bank balances are used to manage foreign exchange risk. Management is responsible for managing exposures in each foreign currency by using external forward currency contracts and purchasing foreign currency that is held in US dollars and Euro bank accounts. Where possible, borrowings are made in the currencies in which the assets are held in order to reduce foreign currency translation risk.

The Group predominantly does not qualify for hedge accounting on the forward foreign currency contracts.

Foreign currency cash and forward exchange contracts

Forward foreign exchange contracts are entered into in order to fix the cost of purchases and sales denominated in foreign currencies. The Group classifies forward foreign exchange contracts as financial assets and liabilities and measures them at fair value. The Group holds foreign currency bank accounts in US dollars and Euro.

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollars, was as follows:

	2013		2012			
$'000 Australian dollars	**USD**	**EUR**	USD	JPY	CHF	EUR
Cash	**1,143**	**775**	-	-	-	656
Payables	**(565)**	**-**	(1,438)	(362)	(24)	(915)
Forecast purchases	**(578)**	**(775)**	-	-	-	-
Forward exchange contracts						
Buy foreign currency	-	-	1,438	-	24	259
Sell foreign currency	-	-	-	362	-	-
Net exposure	-	-	-	-	-	-

At 30 June 2013, the net fair value of forward exchange contracts results in a liability of nil (2012: liability $7,687). This has been recognised by the Group for the fair value of forward foreign exchange contracts. The terms of the contracts are for less than one year.

Foreign currency sensitivity

The sensitivity of the Group's financial assets and financial liabilities to reasonably possible foreign currency risk exposures in existence at the balance sheet date is not significant.

Cash flow and fair value interest rate risk

As the Group has no significant interest bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's main interest rate risk arises from long term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group policy is to ensure the interest cover ratio does not fall below the ratio limit set by the Group's financial risk management policy. At balance date, bank borrowings of the Group incur an average variable interest rate of 4.92% (2012: 5.58%).

Interest rate risk exposures

The Group's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out below.

Exposures arise predominantly from assets and liabilities bearing variable interest rates as the Group intends to hold fixed rate assets and liabilities to maturity.

	Interest Rate	2013 $'000	Interest Rate	2012 $'000
Variable rate instruments				
Cash	-	**16,936**	-	7,228
Bank loans – Australia	**4.92%**	**35,000**	5.58%	104,500
Bank loans – Indonesia	-	-	4.50%	1,212

(a) Interest rate sensitivity

A change of 100 basis points in interest rates at the reporting date would have increased or decreased the Group's reported profit or loss by $243,000 (2012: $738,000) and the Group's equity by $243,000 (2012: $738,000).

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

The Group has no significant concentrations of credit risk that are not covered by collateral and/or credit insurance. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. The Group holds collateral and/or credit insurance over certain trade receivables.

Derivative counterparties and cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any one financial institution.

The maximum exposure to credit risk at the reporting date was:

	2013 $'000	2012 $'000
Trade receivables	**83,125**	81,103
Other receivables	**7,734**	379
Cash and cash equivalents	**16,936**	7,228
	107,795	88,710

Further credit risk disclosures on trade receivables are disclosed in note 7.

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The ultimate responsibility for liquidity risk management rests with the Board which has established an appropriate risk management framework for the management of the Group's short, medium and long term funding and liquidity management requirements. The Group's Corporate Treasury function manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Details of finance facilities are set out in note 28.

Note 17. Financial risk management continued

The following tables disclose the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

2013	Carrying Amount $'000	Less Than One year $'000	One to Two Years $'000	Two to Three Years $'000	Three to Four Years $'000	Total Contractual Cash Flows $'000
Non-derivative financial liabilities						
Trade and other payables	**152,574**	**152,574**	**-**	**-**	**-**	**152,574**
Bank loans	**34,771**	**1,744**	**36,624**	**1,744**	**1,744**	**41,856**
	187,345	**154,318**	**36,624**	**1,744**	**1,744**	**194,430**
2012						
Non-derivative financial liabilities						
Trade and other payables	95,266	95,266	-	-	-	95,266
Bank loans	105,379	47,245	6,533	71,533	6,533	131,844
	200,645	142,511	6,533	71,533	6,533	227,110
Derivative financial liabilities						
Forward exchange contracts	-	2,076	-	-	-	2,076
	200,645	144,587	6,533	71,533	6,533	229,186

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

(d) Fair values

Fair values versus carrying amounts

The carrying amount of financial assets and liabilities approximates their fair value.

	2013 $'000	2012 $'000
Note 18. Commitments for expenditure		
During the year ending 30 June, the Group entered into contracts to purchase plant and equipment for:	**2,820**	2,921
Total group commitments for non-cancellable operating leases:		
Due within one year	**4,018**	5,588
Due within one to two years	**2,290**	4,694
Due within two to five years	**4,448**	6,247
Due after five years	**902**	6,163
	11,658	22,692

The Group has leases for land, buildings and equipment under operating leases.

Note 19. Contingent liabilities

Guarantees

The Group is, in the normal course of business, required to provide guarantees and letters of credit on behalf of controlled entities, associates and related parties in respect of their contractual performance obligations. These guarantees and letters of credit only give rise to a liability where the entity concerned fails to perform its contractual obligations.

	2013 $'000	2012 $'000
Bank guarantees	**450**	1,102
Bank guarantees – associates [(a)]	**-**	590

(a) A controlled entity within the discontinued operation guaranteed 50% of an associate's bank debt to a maximum of $590,000. This was transferred as part of the sale of the discontinued group on 28 February 2013.

Salt field damage subject to insurance

In January 2013, a flood event occurred in northern Queensland which resulted in the Bajool and Port Alma salt fields operated by Cheetham Salt Limited sustaining considerable damage. On 28 February 2013, the date of the sale of Cheetham Salt Limited to CK Life Sciences Int'l., (Holdings) Inc. (CKLS), the full extent of that damage was unknown and was still being assessed.

As part of the sale negotiations, a Queensland Flood Insurance Claim Agreement (QFIC Agreement) was entered into between Ridley and CKLS, the material terms of which require the parties to cooperate with each other, act in good faith and do all things necessary to enable Ridley to submit an insurance claim under Ridley's Industrial Special Risks insurance policy for the damage sustained, with the claim amount to be agreed to by both parties. Recoverable proceeds under that policy by Ridley will be passed on to CKLS. The parties are also similarly required to ensure that the cost and expense of all parties is minimised. Under the QFIC Agreement, Ridley is responsible for payment of the insurance policy excess (which has been fully provided as at 30 June 2013) and is required to reimburse CKLS for any shortfall between the audited cost of the agreed remediation works and the insurance recovery proceeds, capped at the value of the claim.

At the date of this report, the claim lodged by Ridley under its Industrial Special Risks insurance policy as agreed by the parties is for $7,734,000. An insurance receivable of $7,734,000 has been included in current receivables (see note 7) and an amount owing to CKLS of $7,734,000 has been included in current payables (see note 13). The insurance excess has been fully provided for. Due to the nature of the damage sustained to the salt fields, the claim is still being assessed by the insurer and the outcome of that assessment and any impact on the financial result will not be known for some time.

Litigation

At the time of preparing this financial report, some companies included in the Group are parties to pending legal proceedings, the outcome of which is not known. The entities are defending, or prosecuting, these proceedings as they are entitled to. The Directors have assessed the impact on the Group from the individual actions to be immaterial. No material losses are anticipated in respect of any of the above contingent liabilities.

There were no other material contingent liabilities in existence at balance date.

Note 20. Auditors' remuneration

	2013 $	2012 $
(a) Audit and review of financial reports		
Auditors of the Company		
KPMG Australia	**496,863**	500,813
Other Auditors	**-**	11,903
	496,863	512,716
(b) Other services		
Auditors of the Company		
KPMG Australia		
In relation to other assurance, taxation and due diligence services	**285,775**	490,855
Total remuneration of auditors	**782,638**	1,003,571

Note 21. Related party disclosures

Investments

Information relating to investments accounted for using the equity method is set out in note 33.

Transactions with associated entities are on normal commercial terms and conditions in the ordinary course of business, unless terms and conditions are covered by shareholder agreements.

Other related parties

Contributions to superannuation funds on behalf of employees are disclosed in note 24.

Transactions with related parties

	2013 $'000	2012 $'000
Transactions with related parties were as follows:		
Dividend revenue		
– associates	**6,594**	2,788
– jointly controlled entities	**1,693**	4,017
Directors fees		
– jointly controlled entities	**35**	82
Sales of products		
– associates	**7,917**	10,537
– jointly controlled entities	**3,527**	4,169
Purchases of products		
– jointly controlled entities	**2,448**	3,456
Purchases of products		
– associates	**4,190**	2,395
Outstanding balances with related parties were as follows:		
Current receivable		
– associates	**-**	849
Current receivable		
– jointly controlled entities	**-**	4
Current payable		
– associates	**581**	-

Outstanding balances are unsecured and repayable in cash.

Note 22. Key management personnel disclosures

Key management personnel compensation

	2013 $	2012 $
Short term employee benefits	**3,852,822**	3,344,814
Post-employment benefits	**245,480**	284,501
Retirement benefits	**26,481**	-
Termination benefits	**629,124**	297,109
Other benefits	**412,232**	-
Share based payments	**1,139,717**	637,139
	6,305,856	4,563,563

Share holdings

The numbers of shares in the parent entity held during the financial year by each Director of Ridley Corporation Limited and each of the key management personnel of the Group who hold shares, including their personally-related entities, are set out below:

Number of shares held in Ridley Corporation Limited at 30 June 2013

	Balance at the Start of the Year[1]	Acquired[4]/(Disposed) During the Year	Balance at the End of the Year
JM Spark	398,500	-	398,500
RJ Lee	269,366	15,491	284,857
TJ Hart	-	-	-
J Murray	792,024	(200,000)[3]	592,024
AL Vizard	48,658	-	48,658
PM Mann	86,625	-	86,625
RJ van Barneveld	35,000	-	35,000
GH Weiss	25,000	-	25,000
E Knudsen	703,286	-	703,286
Total Directors	**2,358,459**	**(184,509)**	**2,173,950**
AM Boyd	243,662	41,837	285,499
S Butler	4,790	24,597	29,387
CW Klem	51,028	24,597	75,625
RN Lyons	150,554	99,597	250,151
AM Mooney	133,877	97,166	231,043
AL Speed	132,290	(132,290)[5]	-
PJ Weaver	135,385	(135,385)[2]	-
Total executives	**851,586**	**20,119**	**871,705**
Total key management personnel	**3,210,045**	**(164,390)**	**3,045,655**

1. Or commencement of employment if not employed throughout the financial year.
2. At the date of resignation from the Company.
3. J Murray sold 200,000 shares during the year. There were no other sales of Ridley securities by key management personnel during the financial year.
4. J Murray and all executives acquired shares through the exercise of performance rights and/or employee share schemes.
5. Ceased being an employee of the Group on 28 February 2013 as a result of the sale of the salt business.

Number of shares held in Ridley Corporation Limited at 30 June 2012

	Balance at the Start of the Year[1]	Acquired[3]/(Disposed) During the Year[2]	Balance at the End of the year
JM Spark	316,000	82,500	398,500
RJ Lee	269,366	-	269,366
J Murray	559,024	233,000	792,024
AL Vizard	48,658	-	48,658
PM Mann	76,625	10,000	86,625
RJ van Barneveld	-	35,000	35,000
GH Weiss	-	25,000	25,000
Total Directors	**1,269,673**	**385,500**	**1,655,173**
AM Boyd	21,508	222,154	243,662
S Butler	3,136	1,654	4,790
CW Klem	49,374	1,654	51,028
RN Lyons	96,400	54,154	150,554
AM Mooney	81,377	52,500	133,877
AL Speed	78,136	54,154	132,290
PJ Weaver	82,885	52,500	135,385
Total executives	**412,816**	**438,770**	**851,586**
Total key management personnel	**1,682,489**	**824,270**	**2,506,759**

1. Or commencement of employment if not employed throughout the financial year.
2. There were no sales of Ridley securities by key management personnel during the financial year.
3. J Murray and all executives acquired shares through the exercise of performance rights and/or employee share schemes.

Note 22. Key management personnel disclosures continued

Performance Rights granted and vested during the financial year ended 30 June 2013

Long Term Incentive Plan (LTIP)

Recipients of LTIP Rights	Balance at 1 July 2012	Granted	Vested	Forfeited	Balance at 30 June 2013[1]	Date Exercised	Value per Share at Date of Exercise
Directors							
J Murray	1,243,000	-	-	-	1,243,000	-	-
Key management personnel							
AM Boyd	400,000	-	-	-	400,000	-	-
PJ Weaver[2]	475,000	-	(109,727)	(365,273)	-	11 July 2012	$1.01
AL Speed[3]	475,000	-	(226,170)	(248,830)	-	5 December 2012, 28 March 2013	$1.14, $0.95
CW Klem	225,000	-	-	-	225,000	-	-
AM Mooney	300,000	-	-	-	300,000	-	-
RN Lyons	300,000	-	-	-	300,000	-	-
S Butler	225,000	-	-	-	225,000	-	-
Total issued to Directors and key management personnel	**3,643,000**	**-**	**(335,897)**	**(614,103)**	**2,693,000**	**-**	**-**

1. Performance rights are due to vest between December 2013 through to December 2014.
2. Resigned 1 July 2012.
3. Ceased being an employee of the Group on 28 February 2013 as a result of the sale of the salt business.

Ridley Corporation Special Retention Plan (SRP)

Recipients of SRP rights	Balance at 1 July 2012	Granted	Vested	Forfeited	Balance at 30 June 2013	Date Exercised	Value per Share at Date of Exercise
Directors							
J Murray	600,000	-	-	-	600,000	-	-
Key management personnel							
AM Boyd	200,000	-	-	-	200,000	-	-
AL Speed[1]	200,000	-	(200,000)	-	-	28 March 2013	$0.95
CW Klem	150,000	-	-	-	150,000	-	-
AM Mooney	150,000	-	-	-	150,000	-	-
RN Lyons	125,000	-	-	-	125,000	-	-
S Butler	125,000	-	-	-	125,000	-	-
Total issued to Directors and key management personnel	**1,550,000**	**-**	**(200,000)**	**-**	**1,350,000**	**-**	**-**

1. Ceased being an employee of the Group on 28 February 2013 as a result of the sale of the salt business.

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Note 23. Share based payments

Share based payment arrangements

Ridley Corporation Long Term Incentive Plan

The purpose of the Ridley Corporation Long Term Incentive Plan is to provide long term rewards that are linked to shareholder returns. This plan was introduced in October 2006 and replaced the Ridley Corporation Incentive Option Plan. Under the Ridley Corporation Long Term Incentive Plan, selected executives and the Managing Director may be offered a number of performance rights (Right). Each Right provides the entitlement to acquire one Ridley share at nil cost subject to the satisfaction of performance hurdles.

Ridley Corporation Special Retention Plan

The Ridley Corporation Special Retention Plan was introduced in May 2012, developed specifically to retain and motivate key executives for a period covering and extending beyond the Cheetham Salt divestment process. Under the Special Retention Plan, selected executives and the Managing Director were offered a number of performance rights (Right). The Plan offer was made in accordance with the rules of the Ridley Long Term Incentive Plan except that there are no disposal restrictions and the cessation of employment has been superseded, such that the Rights under this offer vest in full on the earlier occurrence of either completion of two years of service from the date of grant; ceasing to be an employee of Ridley because of a sale of a subsidiary entity; and occurrence of a change of control event. Each Right provides the entitlement to acquire one Ridley share at the end of the service period.

Ridley Employee Share Scheme

At the 1999 Annual General Meeting, shareholders approved the introduction of the Ridley Employee Share Scheme. Under the scheme, shares are offered to all permanent Australian employees with a minimum of 12 months' service, at a discount of up to 50%, financed by an interest-free loan secured against the shares. The maximum discount per employee is limited to $1,000 annually in accordance with relevant Australian taxation legislation. Dividends on the shares are allocated against the loan. The amount of the discount and number of shares allocated is at the discretion of the Directors. The purpose of the scheme is to align employee and shareholder interests.

(i) Ridley Corporation Long Term Incentive Plan and Special Retention Plan

There were no performance rights granted during the reporting period.

Details of performance rights outstanding under the plans at balance date are as follows:

30 June 2013

Grant Date	Expiry Date	Balance at Start of the Year	Granted During the Year	Cancelled During the Year	Vested During the Year	Balance at End of the Year
Long Term Incentive Plan						
05 December 2009	05 December 2012	300,000	-	(19,739)	(280,261)	-
05 December 2010	05 December 2013	2,493,000	-	(373,554)	(276,446)	1,843,000
05 December 2011	05 December 2014	2,350,000	-	(507,622)	(92,378)	1,750,000
		5,143,000		(900,915)	(649,085)	3,593,000
Special Retention Plan						
05 May 2012	05 May 2014	2,300,000	-	(50,000)	(400,000)	1,850,000
		7,443,000	**-**	**(950,915)**	**(1,049,085)**	**5,443,000**

Note 23. Share based payments continued

(i) Ridley Corporation Long Term Incentive Plan and Special Retention Plan continued

30 June 2012

Grant Date	Expiry Date	Balance at Start of the Year	Granted During the Year	Cancelled During the Year	Vested During the Year	Balance at End of the Year
Long Term Incentive Plan						
05 December 2008	05 December 2011	300,000	-	(90,000)	(210,000)	-
14 April 2009	14 April 2012	225,000	-	(4,500)	(220,500)	-
05 December 2009	05 December 2012	300,000	-	-	-	300,000
05 December 2010	05 December 2013	2,593,000	-	(67,940)	(32,060)	2,493,000
05 December 2011	05 December 2014	-	2,400,000	(50,000)	-	2,350,000
		3,418,000	2,400,000	(212,440)	(462,560)	5,143,000
Special Retention Plan						
05 May 2012	05 May 2014	-	2,300,000	-	-	2,300,000
		3,418,000	4,700,000	(212,440)	(462,560)	7,443,000

(ii) Ridley Employee Share Scheme

The grant date fair value of the options granted during the year through the employee share scheme was measured based on the binomial model. The model inputs for the employee share scheme shares granted during the year included:

Grant date	26 April 2013
Restricted life	3 years
Fair value at grant date	$0.44
Expected price volatility of the Company's shares	26%
Expected dividend yield	5.3%
Risk free interest rate	3.1%

Employee Share Scheme option movements

30 June 2013

			Number of Shares				
Grant Date	**Date Shares Become Unrestricted**	**Weighted Average Exercise Price**	**Balance at Start of the Year**	**Granted During the Year**	**Exercised During the Year**	**Balance at End of the Year**	**Exercisable at End of the Year**
29 January 2002	29 January 2005	$0.82	61,000	-	(12,000)	49,000	49,000
28 January 2003	28 January 2006	$0.74	122,850	-	(31,050)	91,800	91,800
13 Feburary 2004	13 February 2007	$0.63	160,085	-	(38,040)	122,045	122,045
05 April 2005	05 April 2008	$0.77	153,990	-	(32,625)	121,365	121,365
10 April 2006	10 April 2009	$0.66	175,856	-	(31,836)	144,020	144,020
13 April 2007	13 April 2010	$0.57	230,429	-	(47,493)	182,936	182,936
11 April 2008	11 April 2011	$0.56	304,810	-	(68,134)	236,676	236,676
03 April 2009	03 April 2012	$0.34	579,376	-	(150,756)	428,620	428,620
30 April 2010	30 April 2013	$0.61	449,328	-	(99,308)	350,020	350,020
30 April 2011	30 April 2014	$0.66	455,416	-	(101,036)	354,380	-
30 April 2012	30 April 2015	$0.61	532,588	-	(125,704)	406,884	-
26 April 2013	26 April 2016	$0.41	-	841,126	(4,862)	836,264	-
			3,225,728	841,126	(742,844)	3,324,010	1,726,482
Weighted average exercise price			$0.58	$0.41	$0.57	$0.58	$0.56

The options outstanding have a weighted average contractual life of three years (2012: three years).

30 June 2012

			Number of Shares				
Grant Date	Date Shares Become Unrestricted	Weighted Average Exercise Price	Balance at Start of the Year	Granted During the Year	Exercised During the Year	Balance at End of the Year	Exercisable at End of the Year
29 January 2002	29 January 2005	$0.82	72,000	-	(11,000)	61,000	61,000
28 January 2003	28 January 2006	$0.74	147,150	-	(24,300)	122,850	122,850
13 February 2004	13 February 2007	$0.63	188,615	-	(28,530)	160,085	160,085
05 April 2005	05 April 2008	$0.77	182,700	-	(28,710)	153,990	153,990
10 April 2006	10 April 2009	$0.66	215,272	-	(39,416)	175,856	175,856
13 April 2007	13 April 2010	$0.57	277,922	-	(47,493)	230,429	230,429
11 April 2008	11 April 2011	$0.56	376,530	-	(71,720)	304,810	304,810
03 April 2009	03 April 2012	$0.34	750,824	-	(171,448)	579,376	579,376
30 April 2010	30 April 2013	$0.61	532,356	-	(83,028)	449,328	-
30 April 2011	30 April 2014	$0.66	538,356	-	(82,940)	455,416	-
30 April 2012	30 April 2015	$0.61	-	540,858	(8,270)	532,588	-
			3,281,725	540,858	(596,855)	3,225,728	1,788,396
Weighted average exercise price			$0.57	$0.61	$0.55	$0.58	$0.55

	2013 $'000	2012 $'000
Share based payment expense		
Shares issued under Employee Share Scheme	**370**	368
Performance rights issued under Long Term Incentive Plan and Special Retention Plan	**2,320**	898
Total share based payment expense	**2,690**	1,266

Note 24. Retirement benefit obligations

Superannuation funds

The Group sponsors the Ridley Superannuation Plan – Australia. The funds provide benefits either on a defined benefit or defined contribution basis for employees or their dependents on retirement, resignation, total and permanent disability, death and, in some cases, on temporary disablement. The members and the Group make contributions as specified in the rules of the respective plans.

Group contributions in terms of awards and agreements are legally enforceable and, in addition, contributions for all employees have to be made at minimum levels for the Group to comply with its obligations. Other contributions are in the main not legally enforceable, with the right to terminate, reduce or suspend these contributions upon giving written notice to the trustees.

Defined contribution plans

Benefits are based on an accumulation of defined contributions. The amount of contribution expense recognised in the statement of profit or loss is $5,616,000 (2012: $5,910,000).

Defined benefit plan

The level of contributions to the defined benefit plan in the future will continue to be reviewed on the advice of the fund actuary from time to time and at the time of the triennial or annual valuations. The basis of contributions to the plan is determined as a percentage of members' salaries or as required by the actuarial valuation. The defined benefit obligation consists entirely of amounts that are wholly or partly funded.

Note 24. Retirement benefit obligations continued

The following notes (a) to (f) set out details in respect of the defined benefit section only:

(a) Balance sheet amounts relating to defined benefit retirement benefit obligations

The amounts recognised in the balance sheet are determined as follows:

	2013 $'000	2012 $'000
Present value of benefit obligation	**1,337**	2,469
Fair value of the benefit plan assets	**(1,228)**	(1,853)
Net retirement benefit obligation liability	**109**	616

The Group has no legal obligation to settle these liabilities with immediate or additional one off contributions.

(b) Categories of defined benefit plan assets

The major categories of plan assets are as follows:

	2013 %	2012 %
Cash	**6**	6
Equity instruments	**58**	55
Debt instruments	**19**	18
Property	**11**	16
Other	**6**	5

	2013 $'000	2012 $'000
(c) Reconciliations		
Reconciliation of the present value of the defined benefit obligations:		
Balance at the beginning of the year	**2,469**	2,106
Current service cost	**96**	79
Interest cost	**60**	87
Actuarial (gains)/losses	**(284)**	349
Benefits, expenses and insurance premiums paid	**(1,070)**	(199)
Contributions by plan participants	**34**	47
Past service cost	**32**	-
Balance at the end of the year	**1,337**	2,469
Reconciliation of the fair value of plan assets:		
Balance at the beginning of the year	**1,853**	1,834
Expected return on plan assets	**125**	120
Actuarial gains/(losses)	**88**	(28)
Employer contributions	**198**	79
Contributions by plan participants	**34**	47
Benefits, expenses and insurance premiums paid	**(1,070)**	(199)
Balance at the end of the year	**1,228**	1,853
Expense recognised in statement of profit or loss		
Current service cost	**96**	79
Past service cost	**32**	-
Interest cost	**60**	87
Expected return on plan assets	**(125)**	(120)
Total included in employee benefits expense/(benefit)	**63**	46
Actual return on plan assets	**213**	92

	2013 $'000	2012 $'000
Actuarial (gains) and losses recognised in other comprehensive income		
Cumulative amount at 1 July	**2,101**	1,724
Recognised during the period	**(372)**	377
Cumulative amount at 30 June	**1,729**	2,101

(d) Principal actuarial assumptions

The principal actuarial assumptions used by the actuary (expressed as weighted averages) were as follows:

	2013 %	2012 %
Discount rate	**3.10**	2.60
Future salary increases	**2.50**	4.00
Expected return on plan assets	**6.75**	6.75

The expected rate of return on plan assets has been based on historical and future expectations of returns for each of the major categories of asset as well as the expected and actual allocation of plan assets to these major categories.

(e) Employer contributions

Employer contributions to the plan are based on recommendations by the plan's actuary. Full actuarial assessments are made at no more than three yearly intervals. The last full assessment was completed as at 30 June 2011, an updated valuation by the actuary has been used in determining 30 June 2013 plan disclosures.

The objective of funding is to ensure that the benefit entitlements of members and other beneficiaries are fully funded by the time they become payable. To achieve this objective, the actuaries have adopted a method of funding benefits known as the aggregate funding method. This funding method seeks to have benefits funded by means of a total contribution which is expected to be a constant percentage of members' salaries over their working lifetimes.

Using the funding method described above and particular actuarial assumptions as to the plan's future experience, the actuaries recommended in the actuarial review as at 30 June 2011, updated to reflect 30 June 2013 valuations, the payment of employer contributions to the fund of 10% of salaries for employees who are members of the defined benefit section. These contribution rates have been adopted by the Group from 30 June 2013 and represent a decrease of 2.4% of salaries in the Group's contributions from that previously used. Total employer contributions expected to be paid by Group companies for the year ending 30 June 2014 are $82,000. Economic assumptions used by the actuary to make the funding recommendations were a long term investment earning rate, salary increases together with an age related promotional scale and an inflation rate.

(f) Historic summary

	2013 $'000	2012 $'000	2011 $'000	2010 $'000	2009 $'000
Present value of defined benefit obligation	**1,337**	2,469	2,106	2,979	3,865
Fair value of plan assets	**(1,228)**	(1,853)	(1,834)	(2,888)	(3,803)
Deficit	**109**	616	272	91	62
Experience adjustments arising on plan liabilities	**88**	53	35	87	(285)
Experience adjustments arising on plan assets	**88**	28	166	(8)	1,426

Note 25. Segment information

Geographical segments

The Group predominantly operates in Australasia. The Group had equity accounted investments located in New Zealand (note 33) and an operation located in Indonesia, both of which were disposed of as part of the sale of the Cheetham Salt business.

Note 25. Segment information continued

2013

	AgriProducts $'000	Property Realisation $'000
Sales – external	706,330	-
Sales – internal	-	-
Total sales revenue	**706,330**	**-**
Other revenue	309	-
Total revenue	**706,639**	**-**
Share of profits of equity accounted investments	(116)	-
Depreciation and amortisation expense	(12,936)	-
Interest income	-	-
Interest expense	-	-
Reportable segment profit before income tax	**28,075**	**(1,943)**
Segment assets	337,161	5,104
Investments accounted for using the equity method	2,194	-
Total segment assets	339,355	5,104
Segment liabilities	127,546	-
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets (excluding the impact of business combinations)	15,984	-

2012 Restated[1]	AgriProducts $'000	Property Realisation $'000
Sales – external	626,018	-
Sales – internal	-	-
Total sales revenue	**626,018**	**-**
Other revenue	1,487	-
Total revenue	**627,505**	**-**
Share of profits of equity accounted investments	67	-
Depreciation and amortisation expense	(8,485)	-
Interest income	-	-
Interest expense	-	-
Reportable segment profit before income tax	**27,161**	**(701)**
Segment assets	236,777	7,060
Investments accounted for using the equity method	2,310	-
Total segment assets	239,087	7,060
Segment liabilities	93,195	-
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets (excluding the impact of business combinations)	16,389	-

1. This segment note has been restated for the change from two to three reporting segments as well as for the voluntary change in accounting policy for the valuation of land and buildings as detailed in note 1.

Salt $'000	Unallocated $'000	Total $'000	Salt (Discontinued Operations) $'000	Eliminations $'000	Consolidated Total $'000
9,988	-	716,318	66,908	-	783,226
-	-	-	1,585	(1,585)	-
9,988	**-**	**716,318**	**68,493**	**(1,585)**	**783,226**
-	-	309	12	-	321
9,988	**-**	**716,627**	**68,505**	**(1,585)**	**783,547**
-	-	(116)	4,562	-	4,446
(1,076)	(512)	(14,524)	(3,248)	-	(17,772)
-	74	74	-	-	74
-	(7,811)	(7,811)	-	-	(7,811)
(30,588)	**(16,553)**	**(21,009)**	**(3,649)**	**-**	**(24,658)**
36,797	29,368	408,430	-	-	408,430
-	-	2,194	-	-	2,194
36,797	29,370	410,626	-	-	410,626
6,303	69,224	203,073	-	-	203,073
-	862	16,846	5,947	-	22,793

Salt $'000	Unallocated $'000	Total $'000	Salt (Discontinued Operations) $'000	Eliminations $'000	Consolidated Total $'000
9,774	-	635,792	98,903	-	734,695
-	-	-	3,104	(3,104)	-
9,774	**-**	**635,792**	**102,007**	**(3,104)**	**734,695**
-	-	1,487	187	-	1,674
9,774	**-**	**637,279**	**102,194**	**(3,104)**	**736,369**
-	-	67	6,773	-	6,840
(882)	(796)	(10,163)	(4,241)	-	(14,404)
-	202	202	-	-	202
-	(9,529)	(9,529)	-	-	(9,529)
3,424	**(16,412)**	**13,472**	**12,883**	**-**	**26,355**
56,675	8,760	309,272	137,768	-	447,040
-	-	2,310	50,211	-	52,521
56,675	8,760	311,582	187,979	-	499,561
364	115,749	209,308	11,882	-	221,190
224	702	17,315	6,251	-	23,566

Note 26. Notes to statement of cash flows

	2013 $'000	2012 $'000
Reconciliation of net cash inflow from operating activities to profit/(loss) after income tax		
Profit/(loss) for the year	**(21,694)**	19,253
Adjustments for non cash items:		
Depreciation and amortisation	**17,773**	14,404
(Profit)/loss on sale of discontinued operations and businesses	**5,773**	(308)
Impairment of inventory and property, plant and equipment	**14,262**	-
Impairment of salt fields and goodwill	**19,758**	-
Net (profit) on sale of non-current assets	**-**	(625)
Dividends in excess of equity profits	**3,841**	(35)
Non-cash share-based payments	**2,691**	1,266
Non-cash finance expenses	**462**	245
Doubtful debts	**227**	(129)
Foreign exchange gains	**(12)**	(19)
Other non-cash movements	**725**	1,291
Change in operating assets and liabilities, net of effects from purchase and sale of controlled entities and businesses:		
Decrease/(increase) in receivables	**(15,345)**	4,710
Decrease in inventories	**4,816**	9,592
Increase in trade creditors excluding capital return	**35,714**	2,571
Increase/(decrease) in provisions excluding remediation	**1,237**	(3,916)
Increase/(decrease) in income tax liability/receivable	**334**	(2,104)
Increase/(decrease) in deferred income tax	**(17,979)**	4,700
Net cash inflow from operating activities	**52,583**	50,896

Note 27. Non-cash financing and investing activities

There were no non-cash financing and investing activities during the years ended 30 June 2013 and 30 June 2012.

Note 28. Finance facilities

	2013 $'000	2012 $'000
Borrowings		
Current		
Bank loans (a)	**-**	40,712
Non-current		
Bank loans (a)	**34,771**	64,667

(a) These loans are subject to bank covenants based on financial ratios of the Group. As at 30 June 2013, the Group was in compliance with these covenants. The bank loans are unsecured.

Total loan facilities available to the Group

	2013		2012	
AUD	**Limits $'000**	**Utilised $'000**	Limits $'000	Utilised $'000
Australian dollars				
Loan	**126,000**	**35,000**	169,000	104,500
Cash	**-**	**(16,936)**	-	(7,818)
Overdraft facility	**10,000**	**-**	10,000	590
United States dollars	**-**	**-**	4,551	1,212
	136,000	**18,064**	183,551	98,484

Long term loan facilities

Finance facility

On 28 December 2010, a bank debt facility totalling $169,000,000 was established with two Australian banks. The facility included a combination of term debt available to be drawn down in tranches, with a tenure of between two and four years. These unsecured bank loans were floating interest rate debt facilities subject to negative pledge arrangements which required the Group to comply with certain minimum financial requirements. The key covenant ratios under the facility are interest cover, debt cover, gearing and consolidated net worth.

On 21 December 2012, an Amendment Deed was signed, increasing the facility to $206,000,000 and extending the two tranches with maturity dates of 29 December 2012 to 29 December 2014. From 21 December 2012 until the disposal of Cheetham Salt was completed on 28 February 2013, the four key banking covenants were eased in the facility agreement to accommodate the incremental debt during this period. On 28 February 2013, the Group repaid and reduced the facility by $80,000,000 from the proceeds of the Cheetham Salt divestment as required under the amended bank debt facility arrangement. The Group is in compliance with the facility covenants.

United States Dollar facility

A controlled entity within the discontinued operation had a US$2,100,000 (2012: US$1,225,000 was utilised) term loan facility which was discontinued as part of the sale of the discontinued operation on 28 February 2013.

Short term credit facilities

Australian dollar overdraft facility

The Group has a $10,000,000 (2012: $10,000,000) net overdraft facility, which is due for annual renewal on 31 December 2013. At 30 June 2013, nil (2012: $590,000) was utilised on a consolidated basis due to offsetting within this consolidated Group overdraft facility. At 30 June 2013, $9,240,000 (2012: $8,732,000) was utilised by the parent company of the Group.

United States dollar facility

A controlled entity within the discontinued operation had a US$2,000,000 (2012: US$2,000,000 utilised nil) revolving credit facility and a US$500,000 (2012: US$500,000 utilised nil) revolving loan facility. These facilities were discontinued as part of the sale of the discontinued operation on 28 February 2013.

Trade payable facility

The trade payable facility is an unsecured funding arrangement for the purposes of funding trade related payments associated with the importation of various raw materials. Trade bills of exchange are paid by the facility direct to the importer and the Group pays the facility on 180 day terms. It has a facility limit of $30,000,000 (2012:$20,000,000). The amount utilised classified within current payables at 30 June 2013 was $22,069,996 (2012: $15,624,574).

Note 29. Earnings per share

	2013 Cents	2012 Cents
Basic earnings per share – continuing	**(5.4)**	2.4
Basic earnings per share	**(7.0)**	6.3
Diluted earnings per share – continuing	**(5.4)**	2.4
Diluted earnings per share	**(7.0)**	6.3

	2013 Earnings Per Share		2012 Earnings Per Share	
	Basic $'000	**Diluted $'000**	Basic $'000	Diluted $'000
Earnings used in calculating earnings per share				
Profit/(loss) after income tax – continuing operations	**(16,586)**	**(16,586)**	7,348	7,348
Profit/(loss) after income tax – discontinued operation	**(5,108)**	**(5,108)**	11,905	11,905
Total	**(21,694)**	**(21,694)**	19,253	19,253

Weighted average number of shares	**Basic**	**Diluted**	Basic	Diluted
Weighted average number of shares used in calculating basic and diluted earnings per share	**307,817,071**	**307,817,071**	307,817,071	307,817,071

Options

There are 5,443,000 (2012: 7,443,000) performance rights outstanding which have been excluded from the determination of diluted earnings per share calculation. Details relating to the performance rights are set out in note 23.

Note 30. Investment in controlled entities

The ultimate parent entity within the Group is Ridley Corporation Limited.

Name of Entity	**Country of Incorporation**	**Class of Shares**	**Ownership Interest 2013**	2012
Ridley AgriProducts Pty Ltd and its controlled entities	Australia	Ordinary	**100%**	100%
CSF Proteins Pty Ltd[1]	Australia	Ordinary	**100%**	100%
Farmstock Pty Limited[2] and its controlled entity	Australia	Ordinary	-	100%
Farmstock Milling Pty Ltd[2]	Australia	Ordinary	-	100%
Ridley Liquids JV Pty Limited[2]	Australia	Ordinary	-	100%
Barastoc Stockfeeds Pty Ltd and its controlled entity	Australia	Ordinary	**100%**	100%
Rumevite Pty Ltd[2]	Australia	Ordinary	-	100%
Cheetham Salt Limited and its controlled entities[3]	Australia	Ordinary	-	100%
CSL (No.3) Pty Limited[3]	Australia	Ordinary	-	100%
Salt Australia Pty Ltd[3]	Australia	Ordinary	-	100%
Ocsalt Pty Ltd[3]	Australia	Ordinary	-	100%
Queensland Salt Pty Ltd[3]	Australia	Ordinary	-	100%
PT Cheetham Garam and its controlled entity[3]	Indonesia	Ordinary	-	100%
PT Cheetham International Trading[3]	Indonesia	Ordinary	-	100%
Sea Lake Salt Pty Ltd[3]	Australia	Ordinary	-	100%
Diamond Salt Pty Limited	Australia	Ordinary	**100%**	100%
RCL Retirement Pty Limited	Australia	Ordinary	**100%**	100%
Ridley Land Corporation Pty Ltd and its controlled entities	Australia	Ordinary	**100%**	100%
Lara Land Development Corporation Pty Ltd	Australia	Ordinary	**100%**	100%
Moolap Land Development Corporation Pty Ltd	Australia	Ordinary	**100%**	100%
Bowen Land Development Corporation Pty Ltd	Australia	Ordinary	**100%**	-
Ridley Dry Creek Pty Ltd[4]	Australia	Ordinary	**100%**	100%

1. Camilleri Stockfeeds Pty Ltd changed its company name to CSF Proteins Pty Ltd on 21 November 2012.
2. Non-trading company which was deregistered during the year.
3. Company sold as part of sale of Cheetham discontinued operation on 28 February 2013.
4. Cheetham (Dry Creek) Pty Ltd changed its company name to Ridley Dry Creek Pty Ltd on 21 December 2012.

Note 31. Parent entity

As at, and throughout, the financial year ending 30 June 2013, the parent company of the Group was Ridley Corporation Limited.

	2013 $'000	2012 $'000
Result of the parent entity		
Profit for the year	2,258	766
Comprehensive income for the year	260	(264)
Total comprehensive income for the year	2,518	502
Financial position of the parent entity at year end		
Current assets	3,200	2,293
Non-current assets	289,764	366,981
Total assets	292,964	369,274
Current liabilities	36,785	11,154
Non-current liabilities	34,499	105,067
Total liabilities	71,284	116,221
Net assets	221,680	253,053
Total equity of the parent entity comprising of:		
Share capital	214,445	237,531
Share based payment reserve	1,487	671
Retained earnings	5,748	14,851
Total equity	221,680	253,053
GST liabilities of other entities within the GST group	1,044	212

Parent entity guarantees in respect of debts of its subsidiaries

The parent entity has entered into a Deed of Cross Guarantee with the effect that the Company guarantees debts in respect of its subsidiaries.

Further details of the Deed of Cross Guarantee and the subsidiaries subject to the Deed, are disclosed in note 32.

Note 32. Deed of Cross Guarantee

Ridley Corporation Limited, Ridley AgriProducts Pty Ltd, Ridley Dry Creek Pty Ltd and CSF Proteins Pty Ltd are parties to a Deed of Cross Guarantee under which each company guarantees the debts of the others.

During the current financial year, Cheetham Salt Limited was sold and was removed as a party to the Deed of Cross Guarantee on 28 February 2013.

The above companies represent a Closed Group for the purposes of the ASIC Class Order which governs the operation and establishment of the Deed of Cross Guarantee, and as there are no other parties to the Deed of Cross Guarantee that are controlled by Ridley Corporation Limited, they also represent the Extended Closed Group.

Note 32. Deed of Cross Guarantee continued

(a) Summarised consolidated statement of profit or loss

	2013 $'000	2012* $'000
Profit/(loss) before income tax	**(16,934)**	20,789
Income tax benefit /(expense)	**3,407**	(6,635)
Profit/(loss) after income tax	**(13,527)**	14,154

(b) Summary of movements in retained profits

	2013 $'000	2012* $'000
Balance at 1 July	**24,023**	26,206
Actuarial gains/(losses) on defined superannuation benefit – net of tax	**260**	(264)
Profit for the year	**(13,527)**	14,154
Share based payment reserve transfer	**(190)**	(520)
Dividends paid	**(11,543)**	(23,086)
Disposal of subsidiary	**(7,402)**	-
Transfers from entities outside Deed of Cross Guarantee group	**-**	7,533
Balance at 30 June	**(8,379)**	24,023

(c) Balance sheet

	2013 $'000	2012* $'000
Current assets		
Cash and cash equivalents	**16,936**	4,841
Receivables	**91,852**	75,609
Inventories	**60,412**	81,986
Assets held for sale	**670**	4,017
Tax receivable	**412**	1,588
Total current assets	**170,282**	168,041
Non-current assets		
Receivables	**-**	823
Investments accounted for using the equity method	**2,194**	52,521
Investment properties	**34,032**	-
Property, plant and equipment	**118,079**	200,316
Intangible assets	**77,979**	44,771
Inventories	**360**	3,575
Deferred tax asset	**3,260**	-
Other non-current assets	**-**	26,682
Total non-current assets	**235,904**	328,688
Total assets	**406,186**	496,729
Current liabilities		
Payables	**125,048**	86,971
Provisions	**35,788**	10,005
Retirement benefit obligations	**109**	-
Total current liabilities	**160,945**	96,976

	2013 $'000	2012* $'000
Non-current liabilities		
Borrowings	**34,771**	104,172
Deferred tax liabilities	**-**	8,340
Provisions	**2,917**	1,396
Retirement benefit obligations	**-**	616
Total non-current liabilities	**37,688**	114,524
Total liabilities	**198,633**	211,500
Net assets	**207,553**	285,229
Equity		
Share capital	**214,445**	237,531
Reserves	**1,487**	23,675
Retained earnings	**(8,379)**	24,023
Total equity	**207,553**	285,229

* Restated for the voluntary change in accounting policy for the valuation of land and buildings as detailed in note 1.

Note 33. Investments accounted for using the equity method

			Ownership Interest		Carrying Amount	
Name of Company	**Principal Activity**	**Country of Incorporation**	**2013 %**	2012 %	**2013 $'000**	2012 $'000
Jointly Controlled Entities						
Western Salt Refinery Pty Ltd	Salt production and distribution	Australia	-[1]	50	-[1]	1,564
Dominion Salt Limited and Dominion Salt (N.I.) Limited	Salt production and distribution	New Zealand	-[1]	50	-[1]	32,148
Associates						
Salpak Pty Ltd	Salt marketing	Australia	-[1]	56	-[1]	13,988
Cerebos-Skellerup Limited	Salt marketing	New Zealand	-[1]	49	-[1]	2,511
Consolidated Manufacturing Enterprise Pty Ltd and Swanbrook Road Holding Trust	Dog food and Aqua-feed production	Australia	**25**	25	**2,194**	2,310
Investments accounted for using the equity method					**2,194**	52,521

1. Sold as part of the sale of the Cheetham Salt group on 28 February 2013.

Note 33. Investments accounted for using the equity method continued

Investments in associates and jointly controlled entities are accounted for in the consolidated financial statements using the equity method of accounting and are carried at cost by the respective parent entity.

The balance date of Consolidated Manufacturing Enterprise Pty Ltd and Swanbrook Road Holding Trust is 30 June.

The balance date of Salpak Pty Ltd and Cerebos-Skellerup Limited was 31 December, and 30 June for Western Salt Refinery Pty Ltd, Dominion Salt Limited and Dominion Salt (N.I.) Limited. The Group owned 56% of total shares of Salpak Pty Ltd however only a 49% interest in total voting shares.

	2013 $'000	2012 $'000
Carrying amount of investments accounted for using the equity method		
Carrying amount at 1 July	**52,521**	52,486
Share of investments disposed	**(46,486)**	-
Share of operating losses after income tax	**(116)**	-
Share of operating profits after income tax – discontinued operations	**4,562**	6,840
Dividends received – discontinued operations	**(8,287)**	(6,805)
Carrying amount at 30 June	**2,194**	52,521

Summarised financial information of equity accounted investees, not adjusted for the percentage ownership held by the Group:

	2013 $'000	2012 $'000
Current assets	**1,489**	16,320
Non-current assets	**2,718**	26,466
Total assets	**4,207**	42,786
Current liabilities	**945**	9,850
Non-current liabilities	**-**	750
Total liabilities	**945**	10,600
Net assets	**3,262**	32,186
Revenue	**49,471**	73,845
Net profit after tax	**8,263**	13,175

There are no material reserves or contingent liabilities of the associated companies.

Note 34. Acquisitions

Acquisitions for the year ended 30 June 2013

On 31 December 2012, Ridley acquired the rendering business assets of BPL Melbourne Pty Ltd (CSF Proteins Melbourne) and the associated Merino Street and Lincoln Street, Laverton properties of BPL Nominees Pty Ltd, for a total purchase consideration of $77,078,000.

CSF Proteins Melbourne is Victoria's largest renderer of poultry and mammalian waste products. Following the March 2011 acquisition of New South Wales located CSF Proteins, this transaction marked Ridley's entry into the Victorian animal meals sector and is consistent with Ridley's strategy to secure the supply chain for strategic feed ingredients.

In the six months to 30 June 2013, CSF Proteins Melbourne contributed $38,981,000 of revenue and profit of $1,733,000 to the consolidated results after allocation of overheads, interest and integration costs. If the acquisition had occurred on 1 July 2012, management estimated that consolidated revenue would have been $77,962,000 and consolidated profit from the period would have been $3,912,000. In determining these amounts, management assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 July 2012.

Identifiable assets acquired and liabilities assumed, and attributable goodwill

The following fair values have been determined by the Ridley Board of Directors following an independent review of plant and equipment undertaken by Steers Pty Ltd and of land and buildings by m3 Property Pty Ltd.

Inventory of finished goods has been fair valued at selling prices less the costs of disposal and an estimate of the reasonable profit margin for the selling effort of the acquirer. Leave benefit entitlements for all transferring employees have been assumed by the Group and appropriate adjustment made to accommodate this and the fair value of inventory.

The goodwill is attributable mainly to the rendering and blending skills of the CSF Proteins Melbourne management and workforce together with the synergies expected to be achieved from integrating the business with both the NSW animal meals business and the Ridley AgriProducts stockfeed business.

The following summarises the consideration transferred and the recognised amount of assets and liabilities assumed at the acquisition date:

	$'000
Total consideration paid in cash	77,078
Fair value of net assets acquired:	
Property, plant and equipment	37,456
Inventories	939
Prepayments	58
Employee entitlement provisions (tax effected)*	(1,354)
Total net identifiable assets	37,099
Goodwill	39,979

* The employee entitlement provisions have been adjusted since the interim Financial Report at 31 December 2012. Due to the finalisation of employee provisions post acquisition, this has resulted in goodwill increasing by $481,000.

Acquisition transaction costs of $3,234,000 have been expensed in the period, and include stamp duty costs of $2,400,000.

Current year acquisition of business assets and liabilities

On 15 August 2012, CSF Proteins Pty Ltd (formerly Camilleri Stockfeeds Pty Ltd) acquired the assets of Bartlett Grain Pty Ltd for $1,700,000, and this resulted in goodwill of $750,000. Bartlett Grain is an agricultural commodity trading business specialising in stock feed ingredients. This business provides synergies with CSF Proteins Pty Ltd and Ridley Aqua-Feeds for the procurement of raw materials. The Company agreed to pay the selling shareholders up to $350,000 of contingent consideration during the year ending 30 June 2014 subject to the acquiree reaching earnings performance targets for the first 12 months. An amount of $350,000 was provided for as contingent consideration, which represents its fair value at acquisition date.

On 10 May 2013, Ridley AgriProducts Pty Ltd acquired the animal nutrition business of Probiotec Limited for $1,600,000, and this resulted in goodwill of $1,046,000. The animal nutrition business consists primarily of a range of powdered milk replacer products, which are fed to infant calves and other infant animals such as lambs, kids, foals and piglets. The Company agreed to pay the selling shareholders up to $250,000 of contingent consideration during the year ending 30 June 2014 subject to the acquiree reaching earnings performance targets for the first 12 months. An amount of $250,000 was provided for as contingent consideration, which represents its fair value at acquisition date.

Note 34. Acquisitions continued

Acquisitions for the year ended 30 June 2013 continued

Current year transactions separate from the acquisitions

The Group incurred acquisition related costs of $3,234,000 (2012: $375,000) relating to external legal fees and due diligence costs, including $2,400,000 of stamp duty on the acquisition of the rendering business. These legal fees and due diligence costs were included as business restructuring in the Group's consolidated statement of profit or loss.

Acquisitions for the year ended 30 June 2012

Prior year acquisition of business assets and liabilities

On 21 October 2011, Ridley AgriProducts Pty Ltd acquired the block business of Livestock Nutrition Technologies (LNT) in Townsville for a total cash consideration of $2,700,000, including the balances of working capital. Application of the fair value acquisition accounting principles resulted in goodwill on acquisition of $908,000. This acquisition allowed Ridley to consolidate LNT with its Supplements business in Townsville to service the northern Australia block market from a more efficient base and critical mass, and to enable the Wacol premises in southern Queensland to be closed and sold.

Note 35. Events occurring after the balance sheet date

Subject to receipt of approval from the financiers of Penrice, effective from 1 July 2013, Ridley has a formal Deed of Termination and release (Agreement) with Penrice Soda Holdings Limited (Penrice) with regard to compensation payable to Ridley by Penrice in consideration for the early termination by Penrice of the long term take or pay contract to supply brine from the Ridley salt field at Dry Creek, South Australia to Penrice's soda ash plant at Osborne, South Australia. This follows Penrice's announcement in March 2013 that it will cease production of soda ash at that plant, and as such no longer requires brine from Ridley from 1 July 2013.

Under the terms of the Agreement, for a period of 10 years, Ridley is expected to receive an annual benefit of at least $500,000 through a combination of commercial arrangements, plus the option to procure up to 4.5 million tonnes of zero cost landfill product from the Penrice Angaston mine in South Australia which can be used by Ridley in the redevelopment of its Dry Creek site. In addition, in order for Ridley shareholders to participate in any value upside following Penrice's business reconstruction, Penrice has issued Ridley an option, exercisable at 7 cents per share at any time over a five year period, for Ridley to be issued 16,122,621 ordinary shares in Penrice, representing 15% of the 30 June 2013 issued capital in Penrice.

No other matters or circumstances have arisen since 30 June 2013 that have significantly affected, or may significantly affect:

(i) the Group's operations in future financial years; or

(ii) the results of those operations in future financial years; or

(iii) the Group's state of affairs in future financial years.

Directors' Declaration

1. In the opinion of the Directors of Ridley Corporation Limited (the Company):
   (a) The consolidated financial statements and notes set out on pages 58 to 110 and the Remuneration Report are in accordance with the Corporations Act 2001, including:
      (i) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
      (ii) giving a true and fair view of the Group's financial position as at 30 June 2013 and its performance for the financial year ended on that date.
   (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. In the opinion of the Directors, as at the date of this declaration, there are reasonable grounds to believe the members of the Extended Closed Group identified in note 32 will be able to meet any obligations or liabilities to which they are or may be become subject, by virtue of the Deed of Cross Guarantee, between the Company and those group entities pursuant to ASIC Class Order 98/1418.
3. The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the Corporations Act 2001 for the financial year ended 30 June 2013.
4. The financial statements also comply with International Financial Reporting Standards as disclosed in note 1.

This declaration is made in accordance with a resolution of the Directors.

JM Spark
Director

TJ Hart
Director

Melbourne
21 August 2013

KPMG

Independent auditor's report to the members of Ridley Corporation Limited

Report on the financial report

We have audited the accompanying financial report of Ridley Corporation Limited (the company), which comprises the consolidated balance sheet as at 30 June 2013, and consolidated statement of profit and loss and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 35 comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration of the Group comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The Directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error. In note 1, the Directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements of the Group comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001 and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion:

(a) the financial report of the Group is in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the Group's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1.

KPMG

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 47 to 56 of the Directors' Report for the year ended 30 June 2013. The Directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the Remuneration Report of Ridley Corporation Limited for the year ended 30 June 2013, complies with Section 300A of the Corporations Act 2001.

KPMG

BW Szentirmay
Partner

Melbourne
21 August 2013

Shareholder Information

As at 21 August 2013

	Number of Holders	Number of Securities	% Held by 20 Largest Holders
Holdings of Securities – ordinary shares			
Each fully paid	7,514	307,817,071	69.71

Number Held	Number of Ordinary Holders	Number of Ordinary Shares
Distribution of Holdings – ordinary shares		
1 to 1,000*	1,196	498,743
1,001 to 5,000	2,631	7,905,138
5,001 to 10,000	1,479	11,314,776
10,001 to 100,000	2,084	52,495,445
100,001 and over	124	235,602,969

*There are 830 holders of less than a marketable parcel of shares

Twenty Largest Fully Paid Shareholders	Number of Ordinary Holders	% of Fully Paid Ordinary Shares
Citicorp Nominees Pty Limited	82,017,624	26.64
National Nominees Limited	22,148,968	7.20
JP Morgan Nominees Australia Limited	21,852,618	7.10
BNP Paribas Noms Pty Ltd	21,811,985	7.09
RBC Investor Services Australia Nominees Pty Limited <MBA A/C>	17,104,930	5.56
AMP Life Limited	11,925,129	3.87
RBC Investor Services Australia Nominees Pty Limited	11,201,394	3.64
HSBC Custody Nominees (Australia) Limited	7,397,823	2.40
Heytesbury Pty Ltd	4,123,243	1.34
CS Fourth Nominees Pty Ltd	2,571,601	0.84
Lippo Securities Nominees (BVI) Ltd	2,500,000	0.81
Sandhurst Trustees Ltd (SISF A/C)	1,791,388	0.58
Citicorp Nominees Pty Limited	1,621,020	0.53
Sandhurst Trustees Ltd (LMA A/C)	1,129,650	0.37
Mrs Barbara Hirschowitz	1,024,000	0.33
Escor Equities Consolidated Pty Ltd	1,000,000	0.32
LJT Smith Super Fund	1,000,000	0.32
QIC Limited	947,942	0.31
HSBC Custody Nominees (Australia) Limited-Gsco Eca	742,860	0.24
Mr John Murray	688,110	0.22
	214,600,285	69.71

Substantial Shareholders	% Holding
Insitor Holdings LLC and AGR Partners LLC	19.73
AMP Limited	12.73
Lazard Asset Management	8.99
Maple Brown Abbott	5.45
Dimensional Fund Advisors Group	5.18

Directors' holdings

On 21 August 2013, the Directors of Ridley Corporation Limited had an interest in the following shares and performance rights of the Company.

	Fully Paid Ordinary Shares	Ridley Performance Rights
JM Spark	398,500	-
TJ Hart	-	-
AL Vizard	46,658	-
PM Mann	86,625	-
RJ van Barneveld	35,000	-
GH Weiss	25,000	-
E Knudsen	703,286	-

Voting rights

As at 21 August 2013, the number of holders of fully paid ordinary shares with full voting rights was 7,514. On a show of hands, every person who is a member or a representative of a member has one vote. On a poll, each shareholder is entitled to one vote for each fully paid share held. A shareholder may appoint a maximum of two proxies to represent them at general meetings.

Glossary

AASB	Australian Accounting Standards Board
AASBs	Australian Accounting Standards
AGM	Annual General Meeting
Agreement	Deed of Termination and Release with Penrice
ASX	Australian Securities Exchange
Board	Ridley Board of Directors
CEO	Ridley Chief Executive Officer & Managing Director
CGU	Cash Generating Unit
CKLS	CK Life Sciences Int'l., (Holdings) Inc., acquirer of CSL
Committee	Remuneration Committee
Company	Ridley Corporation Limited
CSF Proteins Melbourne	Rendering business of BPL Melbourne Pty Ltd acquired on 31 December 2012
CSL	Cheetham Salt Limited
DCF	Discounted Cash Flow
Deed	Deed of Indemnity between Company and its Directors and executive officers
EBIT	Earnings Before Interest and Tax
EEO	Equal Employment Opportunity
EES	Environmental Effects Statement
EOS	Employee Opinion Survey
FCTR	Foreign Currency Translation Reserve
Flood Agreement	Queensland Flood Insurance Claim Agreement with CKLS
FY13	2013 Financial Year
FY14	2014 Financial Year
Garvan	Garvan Institute of Medical Research
GRG	Godfrey Remuneration Group
Group	Ridley Corporation Limited and its subsidiaries
GST	Goods and Services Tax
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
KMP	Key Management Personnel
KPI	Key Performance Indicators
KPMG	Independent External Auditor of Ridley
LNT	Livestock Nutrition Technologies
LTIFR	Long Term Injury Frequency Rate
LTIP	Ridley Corporation Long Term Incentive Plan
Managing Director	Ridley Chief Executive Officer and Managing Director
NGER	National Greenhouse and Energy Reporting Act 2007 (Cth)
Penrice	Penrice Soda Holdings Limited
QFIC Agreement	Queensland Flood Insurance Claim Agreement
Recommendations	ASX Corporate Governance Council – the Corporate Governance Principles and Recommendations
Ridley	Ridley Corporation Limited
Rights	Performance Rights issued under the LTIP
RIOC	Ridley Innovation and Operational Committee
Scheme	Ridley Employee Share Scheme
SRP	Ridley Corporation Special Retention Plan
SRP Rights	Rights issued under the SRP
STI	Short Term Incentive
TRFR	Total Recordable Frequency Rate
TSR	Total Shareholder Return
US	United States of America
VWAP	Volume Weighted Average Price

Corporate Directory

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