HIGH PERFORMANCE ANIMAL NUTRITION SOLUTIONS

Annual Report
2015

CONTENTS

RIDLEY

Ridley AgriProducts

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 mostly in pellet form, the exception being a mash offering in certain markets, 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 that are subjected to a process called rendering.

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

BARASTOC

Rumevite

COBBER

primo AQUACULTURE

ABN 33 006 708 765

ABOUT THE COMPANY

Ridley Corporation proudly stands as an Australian based agribusiness focused on being the country's leading producer of premium quality, high performance animal nutrition solutions.

2015 FEATURES

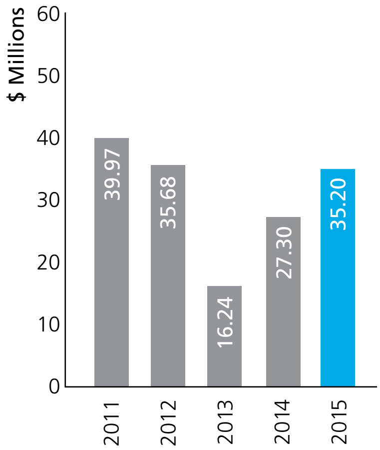
- Second successive record operating result for Ridley agribusiness of $50.4 million
- 79% increase in agribusiness EBIT over the last 24 months
- Record earnings in Aqua-feed and improvements in all sector earnings other than Supplements
- Former feedmill site at Dandenong sold for $2.8 million cash and $2.2 million profit to complete in FY16
- Positive responses to sale process for Dry Creek and aiming to finalise negotiations and develop a commercial solution for the entire Dry Creek site.
- Strong balance sheet with capacity for growth

FIVE YEAR SUMMARY

A$'000 unless otherwise stated	2015 Actual	2014 Actual	2013 Actual	2012 Actual	2011 Actual
Operating results					
Revenue	**909,850**	873,625	783,226	734,695	723,702
Other income	**4,649**	5,972	321	1,674	1,242
Earnings before interest, tax, depreciation and amortisation (EBITDA)*	**51,061**	41,012	1,252	50,086	54,218
Earnings Before Interest and Tax (EBIT)*	**36,141**	27,436	(13,272)	35,682	39,965
Net interest expense/finance charge	**5,059**	5,392	7,737	9,327	9,725
Operating profit before tax*	**31,082**	22,043	(21,009)	26,355	30,239
Tax expense	**9,911**	4,430	(4,423)	7,102	924
Net profit before significant items	**21,171**	17,613	(16,586)	19,253	29,316
Significant items – net of tax and MI	-	-	-	-	-
Net profit after tax and significant items	**21,171**	17,613	(16,586)	19,253	29,316
Loss from discontinued operation (net of tax)	-	-	(5,108)	-	-
Profit/loss attributable to members	**21,171**	17,613	(21,694)	19,253	29,316
Financial position					
Ridley shareholders' funds	**229,834**	219,774	207,553	278,371	282,618
Total assets	**476,553**	423,091	410,626	499,561	510,640
Total liabilities	**246,719**	203,317	203,073	221,190	228,022
Net debt	**32,702**	36,343	17,835	98,151	102,139
Market capitalisation	**384,771**	244,715	230,863	313,973	378,615
Enterprise value	**417,473**	281,058	248,698	412,124	480,754
Operating cash flow	**47,059**	31,349	52,583	50,896	35,472
Closing share price (cents)	**125.00**	79.50	75.00	102.00	123.00
Weighted average number of shares on issue – non-diluted (thousands)	**307,817**	307,817	307,817	307,817	307,817
Number of employees (number)	**685**	658	649	961	948
Key profitability ratios					
Return on shareholders' funds before discontinued operations and significant items (%)*	**9.4%**	7.8%	-6.8%	6.9%	10.3%
Earnings per share (EPS) before significant items and discontinued operation (cents)*	**6.9**	5.7	(7.0)	6.3	9.5
Total Shareholder Returns (%)	**62%**	8.0%	-19.1%	-11.0%	13.5%
EPS growth (%)	**20.2%**	181.2%	-212.7%	-34.3%	1.1%
EBIT growth (%)	**31.7%**	306.7%	-137.2%	-10.7%	-13.6%
Operating cash flow/EBITDA (times)	**0.92**	0.76	41.99	1.02	0.65
Operating cash flow per share (cents)	**15.3**	10.2	17.1	16.5	11.5
Share price/operating cash flow per share (times)	**8.2**	7.8	4.4	6.2	10.7
EBIT per employee (A$'000)	**52.8**	41.7	(20.5)	37.1	42.2
Capital market and structure ratios					
EBITx (market cap/EBIT) (times)	**10.6**	8.9	-17.4	8.8	9.5
EBITDA per share (cents)*	**16.6**	13.3	0.4	16.3	17.6
EBITDA growth (%)	**25%**	3,175%	-97%	-8%	-7%
EBITDAx (market cap/EBITDA) (times)	**7.5**	6.0	184.4	6.3	7.0
Enterprise value/EBITDA (times)*	**8.2**	6.9	198.6	8.2	8.9
P/E ratio (times)	**18.1**	13.9	(10.6)	16.3	12.9
Net debt/shareholders' equity (%)	**14.2%**	16.5%	8.6%	35.3%	36.1%
Equity/total assets (%)	**48.2%**	51.9%	50.5%	55.7%	55.3%
Net debt/EBITDA (times)*	**0.64**	0.90	14.24	1.96	1.88
EBIT/net interest (times)	**7.14**	5.10	(1.72)	3.83	4.11
Net tangible asset backing per share (cents)	**49.3**	45.2	42.1	75.9	77.4
Dividends per share (cents)	**3.50**	1.5^	-^	7.50	7.50
Dividend payout ratio (%)*	**51%**	26%^	-^	120%	79%
Percentage franked (%)	**100%**	50%^	-^	100%	Nil

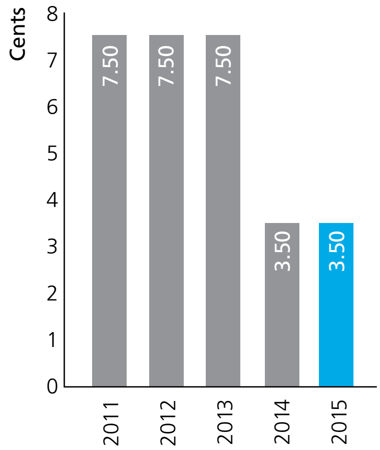
* Before significant items.
^ Capital return of 7.5 cents per share brought to account in FY13 and paid on 5 July 2013.

EBIT from continuing operations*



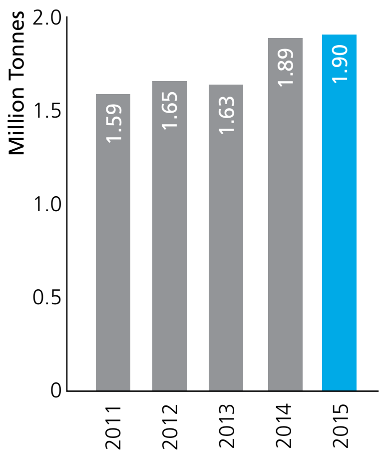
* 2013 before Business restructuring.

Dividends and distributions per share#

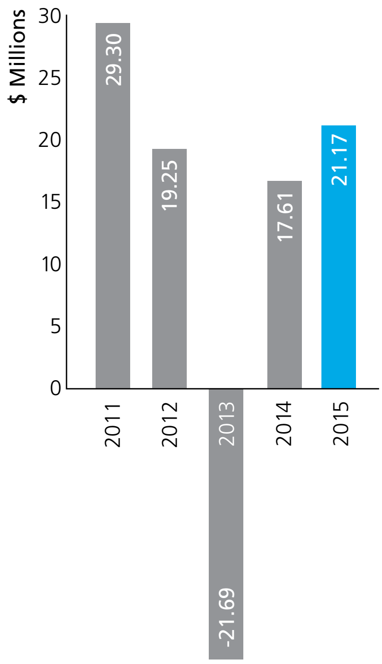


2013 distribution to shareholders by way of 7.50 cents capital return.

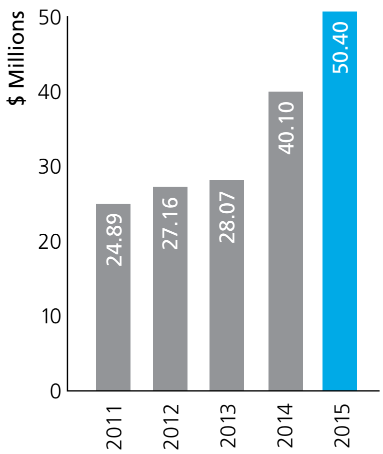
Ridley AgriProducts volume



Consolidated net profit



Ridley AgriProducts operating EBIT

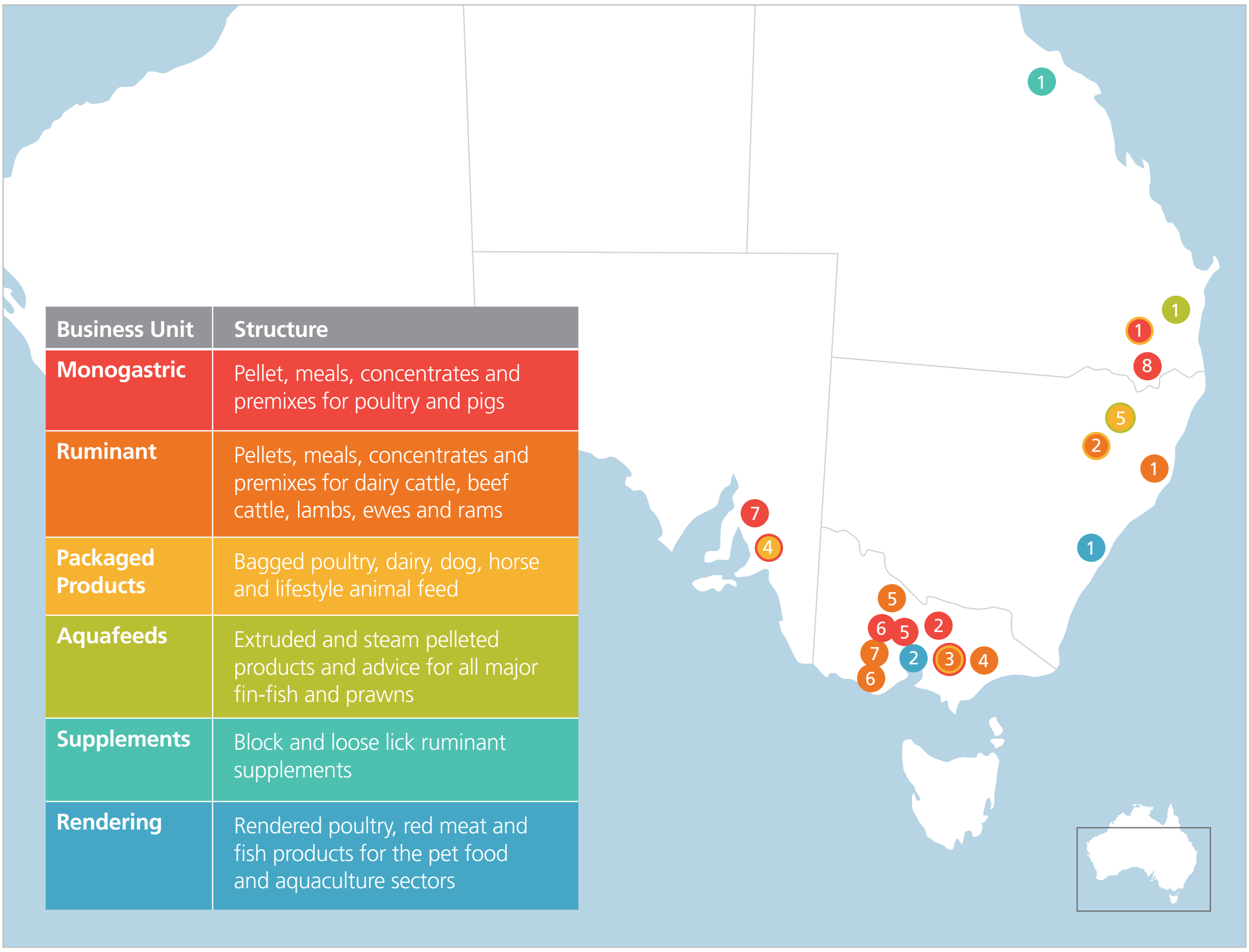



CONVAIR
CONVAIR

RIDLEY LOCATIONS AND SECTORS

From field to food

Ridley is a proud partner of Australian agriculture, driving productivity and performance in response to the needs of an ever-growing population and the welfare of our agricultural community.



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

	Business Unit											
Ridley Assets	**Monogastric**		**Ruminant**		**Packaged**		**Aquafeeds**		**Supplements**		**Rendering**	
	1	Toowoomba	1	Taree	1	Toowoomba	1	Narangba	1	Townsville	1	Maroota
	2	Mooroopna	2	Tamworth	2	Tamworth					2	Laverton
	3	Pakenham	3	Pakenham	3	Pakenham						
	4	Murray Bridge	4	Maffra	4	Murray Bridge						
	5	Bendigo	5	Gunbower	5	Inverell						
	6	St Arnaud	6	Terang								
	7	Wasleys	7	Noorat								
	8	Clifton										

CHAIRMAN'S ADDRESS

My final year as Ridley Chair has delivered a second successive year of significant growth in our core business, with a 24 month increase in Earnings Before Interest and Tax of $22.3 million, or 79%, to report a full year result for 2015 of $50.4 million.

John M Spark
Chair

The operating result confirms our commitment to continuously improve our existing business and maintain a trajectory of long term sustainable growth in all of our key agribusiness markets of Poultry and Pig, Dairy, Aqua-feed and Rendering. We believe there is the capacity for further growth within the existing asset base and in addition, there have been a number of development projects conducted during the 2015 financial year (FY15), which are expected to deliver incremental returns in the coming years.

Sectors

It is pleasing to report an improved Rendering result from both Ridley sites despite several of the key overseas markets for Australian poultry meal remaining closed throughout the year. A comprehensive program of plant maintenance and an investment in critical spare parts have contributed to much stronger plant performance at Laverton when compared to the prior year. The new blending facility at Cherry Lane provided a positive contribution in its start-up year and is expected to deliver improved returns in the year ahead following a management restructure. The Maroota operation has consistently delivered against its acquisition metrics throughout the last four years of Ridley ownership.

Further improvements in dairy business earnings have been generated in FY15 from volume growth, following on from a stronger than expected recovery in the prior year from the cyclical lows in confidence experienced in 2013.

Our Aqua-feed business again performed above expectation, with strong volume growth across all species and a number of advancements made in diet formulation and conversion to biomass. The growth in domestic consumption of salmon continues to absorb the overcapacity of production in the industry.

Our Poultry and Pig sector (Monogastric) comprises approximately half of our total sales volumes and exhibits a strong year on year stability associated with the intensive nature and high capital cost of bird and pig production. Overall volumes and margins have remained steady against the prior year.

Land

In April 2015, we announced the execution of an unconditional contract of sale for the former feedmill site at Dandenong and Victoria for a total consideration of $3 million. Having written down the asset in the 2013 financial year to a residual carrying value of c.$670,000, and after incurring agents' fees and minimal legal costs, an accounting profit is expected in excess of $2.2 million at completion, which is scheduled for 30 November 2015.

Throughout FY15 we have been working diligently with our partner towards securing the necessary approvals to redevelop the former salt field site at Moolap. Following the decision by the new Victorian Labour Government to 'discontinue' exclusive negotiations while it undertook a 'Strategic Land Use Assessment' of the Corio Bay peninsula area, incorporating both the former Moolap Salt Works and Alcoa's Point Henry site, Ridley and Sanctuary Living are now focusing our efforts on understanding more from the Government about the nature and timing of this regional assessment and how the current version of the development plan can best complement the Government's vision for the peninsula and fast-track the commencement of development initiatives.

Ridley has been working on a divestment strategy for the entire Dry Creek site, and in this regard conducted a multi-phase process aimed at developing a commercial framework for the closure and divestment of all or parts of the site. We are in discussions with a number of respondents in relation to advancing commercial agreements and are encouraged by the progress that has been made to date.

$22.3m

INCREASE IN TWO YEARS

24 month increase in core business Earnings Before Interest and Tax of $22.3 million, or 79%, to report a full year result for 2015 of $50.4 million.

CHAIRMAN'S ADDRESS
continued

Whilst we expect that negotiations and due diligence will take several more months to complete, we are aiming to reach a binding commercial conclusion that will enable Ridley to confirm a program for its exit from the site and to crystallise a positive commercial outcome for Ridley shareholders.

Retirement

On 29 May 2015, Ridley announced my retirement from the Ridley Chair and the Ridley Board effective from 1 July 2015. As such this is my last address, and it is very pleasing to be leaving the Company in such a healthy state, following a 79% increase in core business performance over the last two years.

I wish my successor as Ridley Chair, Dr Gary Weiss, every success, and thank him and my fellow Board members for their wise counsel and support throughout my time at Ridley.

Outlook

Although as the departing Chair I shall let any comments on the outlook be made by the Managing Director, in closing, I will reiterate my long-held belief in the strength and values of the company, and in its ability to provide a sustainable and meaningful contribution to the production of protein from livestock for the foreseeable future.

John M Spark
Chair

MANAGING DIRECTOR'S REVIEW

I am delighted to be able to report a second successive year of record earnings. The Ridley agribusiness Earnings Before Interest and Tax (EBIT) of $50.4 million is the highest on record, beating last year's result of $40.1 million by $10.3 million, or 25.7%.

Tim Hart
Managing Director and
Chief Executive Officer

This result has been achieved from widespread improvements throughout the business, with no normalisation or non-recurring items augmenting or detracting from the operating performance.

Dairy has had a second strong year after the lows experienced in 2013 and Aqua-feeds has exceeded expectations, which were lowered as a result of the introduction in 2012 of significant excess production capacity in the industry. Improved plant reliability at Laverton and modest increases in receival volumes at both sites have led to an improvement in the Rendering result, whilst Monogastric performance continues to be a reliable contributor in the intensively farmed poultry and pig industries. Margin and brand management initiatives have improved earnings from Packaged Products despite a small and conscious decline in volume.

Safety

The Safety for all persons associated with Ridley, whether employees, contractors, suppliers, customers, service providers or simply visitors to Ridley sites, will always be my number one focus. I stand behind my commitment and endeavour to continually improve our safety performance and to make sure that all tasks performed in the operation of our business are conducted in a safe and respectful manner.

Our goal is always to have zero injuries in the workplace. Our lead indicators are designed to generate a process of continuous improvement whereby hazards are identified and rectified prior to them causing any harm or damage. The sharing of safety improvement initiatives across all of our operating sites is a powerful process of continuous improvement, and provides an effective ratchet mechanism and leverage to continually move forward towards our zero injury target.

We measure our safety progress through 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 anywhere within Ridley.

The Long Term Injury Frequency Rate, or LTIFR, measured as the number of injuries incurring lost time for every million hours worked, was 2.26 in FY15, a reduction from the 3.29 recorded in FY14, and the 3.65 and 4.46 recorded in the two prior years. The Total Recordable Frequency Rate, or TRFR, represents our total injury rate, and at 6.79 in FY15, represents further improvement from the 8.24 recorded for FY14 and the 8.21 and 16.8 of the two prior years.

The long term downward trend for each performance measure as noted above shows that we are still making progress on our journey on safety and in developing a culture where safety considerations are paramount and override all other behaviour.

Core business operating performance for 2015 financial year (FY15)

The core business record performance of $50.4 million of EBIT for FY15 comprises a strong across-the-board performance in all key sectors, with Ridley's smallest operation, Supplements, the only sector not to have improved on last year's performance.

Agribusiness sales revenue for FY15 of $909.8 million was up $36.2 million (4.1%) on last year's $873.6 million, and reflects 1.90 million tonnes of stockfeed and rendered product sold.

For the second successive year, attention was focused on sustainable growth of the core business, on extracting greater value from the existing asset base, and on developing and refining a compelling customer value proposition in the marketplace.

The industry and geographical spread of the major operating sectors for the Ridley agribusiness continues to provide some diversification and counterbalancing of risk. Internally, we are working hard to lift operating performance and to minimise any adverse consequences arising from seasonal factors.

$10.3m

INCREASE IN ONE YEAR

Record full year from core business – EBIT up from $40.1 million in FY14 to $50.4 million.

We believe we have a differentiation from many other agribusinesses whose financial wellbeing is driven directly from seasonal factors beyond their control. Whilst influenced by seasonal factors, these are not the primary drivers for operating sectors such as aquaculture and poultry, where significant investment in biomass and infrastructure underpin an ongoing requirement to intensively feed livestock for human consumption.

The underlying determinants of the operating result are explained within the following summary by sector.

(i) Dairy, Beef and Sheep

The Dairy sector started FY14 at a relatively low point of a traditional three to five year economic cycle and then recovered strongly. This recovery has been sustained throughout FY15, and has delivered additional volume uplift and a slightly higher gross margin per tonne.

The milk price:feed cost ratio, which is used by dairy farmers to help with decisions about supplementary feeding, has remained positive throughout FY15 and has started the new financial year with a positive outlook.

In a first to market initiative, during FY15 Ridley invested in a new storage and blending facility at its existing Terang ruminant mill in western Victoria. The new facility will primarily support dairy farmers with a range of both partial and total mixed ration products. These are aimed at improving herd economic performance through the supply of specialist heifer feeds and dry/milking cow feeds to help meet heifer growth rate targets and improve milk production respectively. Rations offered will be able to be tailored to each farm requirements.

The new facility at Terang consists of commodity bays for the receival and storage of bulk feeds, together with dedicated weighing, mixing and truck-loading capabilities. Operations are linked to the existing feedmill capability at Terang, thereby allowing inclusion of pellets, pre-mixed meals and key nutrient ingredients into the blends. The facility has enabled closure of the neighbouring Noorat site with no job losses given that the staff have transferred to Terang as operators of the new facility. Refer to images on facing page.

The roll out of the Ridley inventory management system (IMS) commenced at the start of the year. A feed meter installed on the auger running from the feed silo into the dairy shed monitors the volumes of feed consumed at each milking session and provides a real-time feedstock inventory position to the farmer and the Ridley feedmill. This information assists with automatic re-ordering, dramatically reduces the risk of running out of feed on farm, and helps optimise working capital. There are significant production scheduling, raw material inventory management and logistics benefits available to Ridley through the improvements in forward planning. This system is now being introduced in other Ridley dairy regions in FY16.

Ridley continues to invest in industry education to help drive higher production from the same geographic and livestock footprints through the use of supplementary feeding. During the year, Ridley held its inaugural Farmer Forum for farmers in the western districts of Victoria. Key dairy customers were selected and invited to attend a two-day conference to discuss topical issues, share ideas and initiatives, and learn of the latest developments in dairy technology and dairy cow management, feeding and nutrition to help them improve their output. The forum was highly successful and will be rolled out to Ridley's other key dairy regions in Gippsland and northern Victoria.

From a product development perspective, there are palatability and performance studies in progress to evaluate opportunities to supply maintenance cubes for live export cattle, studies being conducted on a number of feed additives designed to influence rumen fermentation, and negotiations being finalised to trial a lactating cow feed to influence energy supply and consequently milk and milk solids production.

Sales of supplementary feed for the beef and sheep parts of the Ruminant sector, which is somewhat opportunistic for Ridley, returned to more traditional levels from the previous year's heightened activity associated with regional drought conditions.

(ii) Poultry and Pig

Although the compounding 2% to 3% increase in domestic demand for poultry products continues and is expected to continue for the foreseeable future, Ridley's broiler volumes were slightly down for the year. This was due to a combination of factors, including the best ever conversion rates for customers using Ridley diets and a short term reduction in bird lifecycle, which not only reduced bird size in the marketplace but also the volume of Ridley finisher feed. The traditional lifecycle and finishing process have been restored and Ridley continues to work closely with its major customers to service the targeted increases in bird numbers in the growth corridors of Victoria, South Australia and Queensland.

Only through an active two-way communication process with the major poultry suppliers can Ridley implement the capital expenditure projects necessary to increase production capacity to accommodate our customers' expansion plans. We are continuing dialogue in a number of regions to secure the volumes and/or freight differentials necessary for any new feedmill projects to pass the required Ridley internal financial hurdles.

Following a strategic review of the Pig sector, which was finalised during the year, we decided to invest in additional resources in this sector, which is now flourishing after a period where pork products were stigmatised as being unhealthy compared to other sources of animal protein. Recruitment of industry leaders to restore our expertise in this field, together with an aggressive approach to marketing and relationship management, is starting to deliver an improved outlook for this sector.

The Poultry layer sector (as opposed to broilers, which are reared for their meat) has exhibited growth during the year, with eggs now seen as a positive source of protein rather than a negative source of cholesterol. The industry preference tends to be for a mash rather than pelleted feed solution, and new prospects are being investigated now that Ridley is providing a mash offering in the marketplace.

New Terang blending and storage operation

Siloking mobile mixing and loading vehicle.


Mash offering from the new facility.


Outloading area and silo storage.

Siloking truck loading capability.

(iii) Aqua-feed

The Aqua-feed performance for the year has exceeded expectations, with significant volume growth recorded in all of its key sectors, namely salmon, prawn, barramundi and kingfish.

The growth in domestic salmon consumption continues to absorb the excess production capacity within the industry and Ridley's salmon customers are investing for growth and increasing their biomass, which will deliver further feedstock volume growth in the years ahead.

Production improvements at the Ridley plant at Narangba, near Brisbane, have accommodated much of the volume growth, supported by the extrusion plant at Inverell in which Ridley holds a minority stake.

Strong progress has been made during the year towards the commercialisation of Ridley's investment in Novacq™, the prawn feed additive, which has the capability of transforming the prawn feed industry through the substantial acceleration of growth rates. We are hoping to secure an appropriate site in the coming months to facilitate the commercial scale production of Novacq™ to service the domestic market before contemplating large scale offshore production to service the overseas territories covered by the existing and any future licences with CSIRO.

(iv) Proteins

Ridley's rendering operations continue to provide a valuable contribution to the operating result consistent with their acquisition hurdle requirements. Increases in the volume of raw material to render at each of our sites have more than offset a decline in traded volumes of poultry meal at Maroota.

Improvements in plant reliability at Laverton, generated from the introduction of a comprehensive program of preventative maintenance and the investment of approximately $1 million to provide an inventory of critical spares, have contributed to a strong second half year on year improvement.

The financial impact in FY15 of the continuing market closures has been minimal, however there remains some minor upside influence in market pricing arising whenever these markets are reopened for Australian poultry meal products.

The new storage and blending facility at Cherry Lane, near to the Laverton rendering site, which commenced operations during the year, facilitates the blending of rendered animal meals, whereby product specification can be upgraded to generate significant uplifts in selling prices and margins. The operation started to generate earnings in the final quarter and is expected to positively contribute in FY16.

(v) Packaged Products

Packaged Products margin management has been the primary focus for the year, with successive price rises and improved inventory management being the key to delivering a significant uplift in margin at the conscious sacrifice of a small decline in volume.

The Packaged Products team continues to develop initiatives to engage the younger generation(s) through social media and more targeted advertising and promotions. A branding refresh project is underway to give greater prominence and presence to Ridley products within the retail stores.

(vi) Supplements

A number of positive operating initiatives and management changes were introduced at the Townsville Supplements plant, which have rectified the production issues experienced in the prior year and vastly improved safety performance at the site. With reliable production and inventory on hand to service the market, the business was well placed to accommodate positive seasonal demand for its loose mix products and its dry season and molasses blocks. Unfortunately, demand throughout the year was soft, and over 5,000 tonnes lower than the prior year. Marketing, promotional and educational initiatives are underway to boost awareness and sales ahead of the dry season.

Property realisation

We have made good progress during the year with regard to the realisation of our surplus asset comprising the former salt field at Dry Creek, and we believe we should be in a position to make a formal announcement in the coming year that will outline the process and timing to divest the asset, and remove the uncertainty surrounding the carrying value. Clarity will be provided at that time with regard to the ongoing cost structure reported within the Ridley Property segment, which has to date been allocated between maintenance and closure activities.

Whilst the change of State Government in Victoria has severely disrupted progress with regard to securing the development approvals for the Moolap project, a significant amount of project feasibility has been undertaken during the year with our development partner Sanctuary Living, all of which has confirmed the existence of a commercially viable project once all the requisite approvals have been secured.

It was pleasing to execute a sale agreement for the Dandenong site, which will generate gross cash proceeds of $3 million and a pre-tax profit in the coming year in the vicinity of $2.2 million.

External relations

Ridley is an active member of the Australian Food and Grocery Council (AFGC) Agribusiness Forum, which is chaired by myself, and the Trade Working Group, which is Chaired by our Chief Information Officer (CIO), Claudine Ogilvie. Ridley has collaborated with the AFGC, the National Farmers Federation (NFF) and sector-specific associations such as the Australian Renderers Association Inc. (ARA) and the Stockfeed Manufacturers Council of Australia (SFMCA) to advocate key policy issues in support of Ridley, our customers, our suppliers and communities.

We included submissions to the Agricultural Competitiveness Green Paper, the Northern Australia Green Paper and the Energy Green Paper, and championed our customers to grow sustainably and profitably.

Other areas of industry and Government engagement during the year included providing support for improved rural and regional transport infrastructure, and advocating favourable outcomes in the recently concluded Free Trade Agreements with South Korea, Japan and China, as well as ongoing negotiations for the Trans Pacific Partnership (TPP) and Regional Comprehensive Economic Partnership (RCEP), amongst others. Supporting the removal of non-tariff barriers to trade will be a key focus in the coming year as we seek to maximise our trade opportunities.

We are delighted that in May 2015 the Agriculture Minister of Indonesia signed a decree lifting the embargo on Australian poultry and feather meal imports into Indonesia. Up to half of Australian poultry meal and 80% of feather meal was exported to Indonesia prior to the NSW Avian Influenza outbreak in November 2012. We will continue to work with Australian and Indonesian authorities to encourage long term market access frameworks.

During the year Ridley received a commitment of Government funding from the Geelong Region Innovation and Investment Fund, commonly referred to as GRIIF, for any new feedmill constructed on the site at north east Geelong acquired by Ridley in August 2014. We expect the pig and poultry industries will continue to grow and we are excited to be a part of the long term prospects of the region.

Our people

Our people focus for the year has been on ensuring we have the right people with the right skill sets to execute our strategic plans and deliver a sustainable and compelling customer value proposition.

In pursuit of this objective, we have been not only an active recruiter but have also restructured many roles and responsibilities within our business sectors.

We have been particularly active in making technical appointments in the Aqua-feed and Pig business sectors, and believe we now have a full complement of technical expertise in aqua-feed capable of competing with the world's best in applied research and development. Recent appointments in our Pig and Poultry layer businesses have reinvigorated the business teams ready for a fresh assault on securing new business.

A comprehensive training program now exists at all levels within the business and we have aligned our remuneration policies more closely to the market to ensure we can attract personnel of the highest calibre and capable of leading Ridley through the next phases of its development.

More details of each of these initiatives, and of our community influence and sustainability programs, are provided in the Our People section of this 2015 Annual Report.

Outlook

We have increased core business EBIT from $28.1 million in 2013 to $50.4 million in FY15, an overall increase of 79% in two years. We have achieved this uplift essentially from our existing asset base without the benefit of any external acquisitions, acknowledging the additional poultry volume acquired through the prior year new supply contract. The startling rate of growth over the last two years is naturally unsustainable, however we do believe that there is further growth that can be extracted from the current portfolio of assets in the coming years.

To augment the expected organic growth, we are continuing to develop the concepts and plans for the modernisation of our feedmills in a number of key regions. The replacement of an older mill with a newer, more energy and staffing efficient feedmill is capable of returning the cost of capital. What is needed to generate a return that meets Ridley's internal hurdle rates is a combination of incremental volume and freight/logistics savings or arbitrages. In order to de-risk the capital outlay associated with any major new project, these profit enhancing factors need to be underwritten by way of contractual commitments.

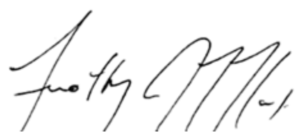
Having secured the necessary contractual commitments to pass the Ridley internal project hurdle requirements, we were delighted to announce on 9 September 2015 our commitment to construct and operate a new feedmill on the strategic parcel of land on the north eastern outskirts of Geelong. The new Ridley feedmill will service monogastric (poultry and pig) customers in the region around Geelong and wider western Victoria, being the key growth area for broiler (chicken meat) farms in Victoria. The new facility will benefit from proximity to raw material grain supply and allow us to service our broiler customers' expansion in this region much more effectively, as well as representing a major new offering for pig and layer (chicken egg) farmers. The planned Golden Plains Shire Food Production Precinct, a dedicated 4,000 hectare site set aside for intensive farming and livestock production in Lethbridge, is less than 40 kilometres from our site which is consequently ideally located to provide a cost effective and comprehensive feed solution for the precinct.

We are continuing our discussions to secure the requisite commitments for a number of other potential new feedmill projects and hope to be able to announce approval for one or more of these projects in the coming year.

We are aiming to reach a positive outcome on the Dry Creek sale process, which will provide clarity on the carrying value and future site maintenance costs. We will also be looking to provide some guidance on the process and timing for the Nelson Cove development once we have clarification from the Victorian State Government on the scope of its review of the Corio Bay peninsula.

In addition to organic growth and new feedmill opportunities, we will continue to actively pursue acquisition opportunities consistent with our long term strategy for Ridley to be Australia's leading producer of premium quality, high performance animal nutrition solutions.

In conclusion, a result like the one we have achieved for FY15 simply doesn't happen without the concerted and sustained efforts of all Ridley people and its suppliers and service providers. I would like to thank my fellow Directors, management team, and all those involved in generating the 2015 result for their contribution throughout the year, and particularly retiring Chair John Spark for his counsel and support during my two years at Ridley. Everyone at Ridley will join me in thanking John for his contribution to Ridley over the last decade and more, and in wishing him well as he winds back his commitments and transitions towards retirement.



Tim Hart
Managing Director and
Chief Executive Officer

FINANCIAL REVIEW

Ridley Corporation Limited (Ridley) has reported EBIT from continuing operations and before non-recurring costs for the year of $35.2 million, an increase of $6.3 million on the $28.9 million prior year equivalent.

Alan Boyd
Chief Financial Officer and
Company Secretary

Operating result

A consolidated profit after tax of $21.2 million has been recorded for the 2015 financial year, an increase of $3.6 million (20.2%) on the prior year. Within the consolidated result, the Ridley agribusiness recorded an EBIT of $50.4 million, a second successive record and $10.3 million up on the prior year's record of $40.1 million.

The full year consolidated EBIT of $35.2 million before non-recurring items comprises the Ridley agribusiness result, corporate costs of $8.9 million, Dry Creek net operating costs of $3.6 million, and Non-Dry Creek Property costs of $2.7 million.

Net finance costs for the year of $5.0 million reflect interest on bank debt and the trade payables facility plus amortisation of establishment and other fees.

The tax expense for the current year of $9.9 million after non-recurring items includes an under provision in the prior year of $0.3 million and an impairments add back of $0.7 million, without both of which the underlying effective tax rate would be 28.6%.

There were favourable, non-recurring, after tax items of $0.3 million recorded for the year, which have been segregated from ongoing activities in the following table.

Sales revenue and gross profit

Agribusiness sales revenue for FY15 of $909.8 million was up $36.2 million (4.1%) on last year's $873.6 million, and reflects 1.90 (2014: 1.89) million tonnes of stockfeed and rendered products sold. Consolidated Gross Profit from continuing operations was $77.6 million, $11.7 million (17.7%) above last year's $65.9 million equivalent.

Corporate and property costs

Corporate costs of $8.9 million are consistent with the prior year, only increasing by $0.3 million (3.5%).

A net loss of $3.6 million has been recorded in respect of the maintenance and closure of the former salt field at Dry Creek in South Australia. The prior year figure includes the benefit of $2.5 million of profits from sales of land, whereas there were no Dry Creek land sales in FY15. We are aiming to finalise current discussions, negotiations and the due diligence phase to develop a commercial solution for the entire Dry Creek site that optimises Ridley shareholder returns.

The other property costs of $2.7 million are $0.5 million higher than the prior period due to an increase in consulting and advisory activity for the Nelson Cove project. We will be looking to provide some guidance on the process

Results

Table 1	2015 $'000	2014 $'000
Profit from continuing operations before income tax	**31,082**	22,043
Income tax expense	**(9,911)**	(4,430)
Net profit attributable to members of Ridley Corporation Limited	**21,171**	17,613

Profit and loss account

Table 2 in $ million	2015	2014	Movement
Earnings from operations before finance income and expense and tax expense (EBIT):			
Ridley AgriProducts	50.4	40.1	10.3
Corporate	(8.9)	(8.6)	(0.3)
Property – Dry Creek	(3.6)	(0.4)	(3.2)
– Other	(2.7)	(2.2)	(0.5)
EBIT from operations before non-recurring costs	**35.2**	**28.9**	**6.3**
Net finance costs	(5.0)	(5.4)	0.4
Income tax expense	(9.3)	(4.4)	(4.9)
Net profit from continuing operations after tax before non-recurring costs	**20.9**	**19.1**	**1.8**
Other non-recurring items	0.3#	(1.5)	1.8
Reported net (loss)/profit	**21.2**	**17.6**	**3.6**
Earnings per share (cents):			
(i) continuing	6.9	5.7	1.2
(ii) reported	6.9	5.7	1.2

The profit and loss summary with a prior period comparison provided in Table 2 above, has been sourced from the audited accounts but has not been subject to separate review or audit. The Directors believe that the presentation of the unaudited non-IFRS profit and loss summary in Table 2 is useful for users as it reflects the underlying profits of the business.

Net of tax expense of $0.6 million.

and timing for the Nelson Cove development once we have clarification from the Victorian State Government following its review of the Corio Bay peninsula.

Net finance costs

The net finance costs of $5.0 million are $0.4 million lower than the prior period, which reflects the continuing low interest rates and a slight reduction in debt over the course of the year.

Income tax expense

The Table 2 tax expense of $9.3 million excludes $0.6 million of tax on non-recurring items, and incorporates $0.3 million of under provision from the prior year and an add back on revenue account of $0.7 million for impairments booked during the year, without which the effective tax rate on the increased taxable profits would have been 28.6%.

Non-recurring costs and discontinued operations

There have been a number of non-recurring items during the year that have been segregated from ongoing operating activities and which in aggregate have generated a positive after tax contribution of $0.3 million.

Balance Sheet

There have been the following material movements in the Balance Sheet over the last 12 months:

(i) The reclassification of $33.5 million of Dry Creek assets from Non-current investment property to current assets held for sale, with an impairment of $1.4 million recognised in the Consolidated Statement of Comprehensive Income and against the carrying value to reflect the best estimate of the underlying value expected to be crystallised from the conclusion of the current sale process, as well as the expected realisation time frame.

(ii) A $15.7 million increase in cash and cash equivalents reflects the timing of cash receipts versus application to tranches of Borrowings, which have increased by $12.1 million, for a net sum gain of $3.6 million.

(iii) Increases in Receivables ($4.7 million), Inventory ($17.0 million) and Payables ($29.2 million), which reflect the higher level of sales activity and inventory holding levels required to keep the mills operating at capacity.

(iv) A $20.9 million increase in property, plant and equipment, which reflects a strong year of investment, including the investment in the potential feedmill site at north east Geelong (announced in August 2014), a new dairy blending and storage facility constructed during the year at Terang in western Victoria, and the strategic acquisition of land and storage facilities adjacent to the existing rendering site at Laverton.

(v) With the product trials in feedstock applications still in progress, and with definitive supply agreements to source raw materials and any project proposals yet to be developed, during the year ending 30 June 2015 an impairment loss of $1,084,000 has been included in the Consolidated Statement of Comprehensive Income against the available for sale asset (note 15).

Cash flow and working capital

The operating cash inflow for the year as shown in Table 3 after working capital movements and maintenance capital expenditure was $45.2 million, an increase of $21.1 million from the $24.1 million recorded in the prior year.

The Company has invested $20.6 million in development projects during the year, the three largest of which are noted above in the Balance Sheet analysis. Maintenance capital expenditure of $12.8 million remains below the $14.9 million aggregate charge for depreciation and amortisation.

Payments for Intangible assets of $0.4 million reflect Novacq™ research and development costs while the prior year balance of $5.2 million included $4.5 million relating to the acquisition of a long term poultry supply agreement, which has contributed incremental poultry earnings and volumes.

Dividends paid during the year comprise the final dividend of 2.0 cents in respect of the prior financial year paid on 31 October 2014 and the interim dividend of 1.5 cents per share paid on 30 April 2015.

Net proceeds of $3.5 million from sales of assets comprise the sale of the Dalby site plus $2.7 million of proceeds received on 1 July 2014 from the prior year Dry Creek surplus land sales.

Tax instalment payments of $6.6 million were made during the year compared to a net prior year refund of $1.6 million.

Segments

The ongoing reportable segments are as follows:

AgriProducts

Australia's leading supplier of premium quality, high performance animal nutrition solutions.

Property

Realisation of opportunities in respect of surplus property assets and sales of residual property site assets.

Risks

The following is a summary of some of the continuing significant 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 (namely Poultry and Pig, Dairy, Aqua, Beef and Sheep, Packaged Products and Rendering), some of which have a positive or negative correlation with each other, Ridley is not dependent upon a single business sector and is able to spread the sector and adverse event risk across a diversified portfolio.
- **Influence of domestic 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 not being able to control the availability of natural pasture, Ridley 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 a 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 third party market risk, such as what happened with the outbreaks of Avian Influenza two years ago, which effectively closed most of the export markets for poultry meal products.
- **Customer concentration and risk of regional consolidation** – Ridley endeavours to enter into long term sales and supply contracts with its customers and suppliers. This provides surety of volumes required to plan appropriate shift structures, procurement and supply chain activities and capital expenditure programs, and actively manages the risk of stranded assets and backward integration into feed production by significant customers.
- **Property holdings** – Ridley has a dedicated property team that manages the maintenance of non-operating sites, secures appropriate redevelopment approvals and optimises the realisation of shareholder value from surplus property.
- **Corporate** – risks such as safety, recruitment and retention of high-calibre employees, inadequate innovation and new product development, customer credit risk, interest rate, foreign exchange and inappropriate raw material purchases are actively managed through the Company's risk management framework, which includes review and monitoring by the executive lead team.

Earnings per share

The underlying earnings per share of 6.9 cents reflects the result on a stable equity platform following the FY13 financial impact of sale of Cheetham Salt and the non-recurring pre-tax write-downs, impairments and transaction costs of $37.2 million.

Earnings per share (cents)	2015	2014
Basic earnings per share	6.9	5.7

Gearing

Gearing is reported as debt to equity in accordance with the covenants of the Group banking facility.

Gearing	2015 $'000	2014 $'000
Gross debt	67,693	55,584
Less: cash	(34,991)	(19,241)
Net debt	32,702	36,343
Total equity	229,834	219,774
Gearing ratio	14.2%	16.5%

Table 3 in $ million Cash flows for the year	Year ended 30 June 2015	 30 June 2014
EBIT from operations after transaction costs and before discontinued operation and non-recurring costs	35.2	28.9
Net cash flow from discontinued operation and non-recurring items	0.9	(1.5)
Depreciation and amortisation	14.9	13.6
EBITDA	**51.0**	**41.0**
(Increase)/decrease in working capital	7.0	(5.5)
Maintenance capital expenditure	(12.8)	(11.4)
Operating cash flow	**45.2**	**24.1**
Development capital expenditure	(20.6)	(2.3)
Payment for intangibles	(0.4)	(5.2)
Dividends paid	(10.6)	(4.6)
Capital return	-	(23.1)
Share-based payments	(2.0)	(3.3)
Net proceeds from sale of property assets	3.5	1.4
2014: Investment in Bluewave and contingent consideration	-	(1.4)
Net finance cost payments	(4.9)	(4.8)
Net tax refund/(payments)	(6.6)	1.6
Movement in other Balance Sheet items	-	(0.9)
Cash flow for the period	**3.6**	**(18.5)**
Opening net debt balance at 1 July	(36.3)	(17.8)
Closing net debt balance at 30 June	**(32.7)**	**(36.3)**

The cash flow summary with a prior period comparison provided in Table 3 above, has been sourced from the audited accounts but has not been subject to separate review or audit. The Directors believe that the presentation of the unaudited non-IFRS cash flow summary in Table 3 is useful for users as it reflects the underlying cash flows of the business.

Capital movements

During FY15, a total of 1,870,969 (FY14: 3,822,834) shares were acquired by the Company on market for an outlay of $2.0 million (FY14: $3.3 million) in satisfaction of:

(i) the issue of 1,100,713 (FY14: 2,889,054) shares allocated to Ridley employees under the Ridley Long Term Incentive Plan; and

(ii) 770,256 (FY14: 933,780) shares allocated under the Ridley Employee Share Scheme.

There were no new issues of capital during either financial year.

Dividend

The Board paid an interim dividend of 1.5 cents per share on 30 April 2015, franked to 100%. Ridley does not have a formal dividend policy but its intention is 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.

After the Balance Sheet date, a 2015 final dividend of 2.0 cents per share, fully franked and payable on 30 October 2015 was declared by the Directors. The final dividend has not been provided for and there are no income tax consequences. The financial effect of this dividend has not been brought to account in the consolidated financial statements for the year ended 30 June 2015 and will be recognised in subsequent financial reports.

Alan Boyd
Chief Financial Officer and
Company Secretary

PROPERTY DEVELOPMENT

Since Ridley first announced in 2008 that it would create and pursue a strategy to unlock the value from its surplus landholdings, there has been strong progress made towards achieving our objectives.

Stephen Butler
Property Development Manager

Ridley is pleased to report that the majority of those surplus property assets with the more immediate sale prospects have now been divested, and the focus is now on the remaining former salt field assets at Dry Creek in South Australia, and the Moolap and Lara sites in Victoria.

The former salt field assets are highly complex in nature, comprising a combination of Ridley freehold land and various Crown leases and mining tenements. The rules and regulations governing the management and disposal of the different forms of land tenure must be considered as part of our long term strategy for optimising the returns for Ridley shareholders, as well as minimising the liabilities attaching to the assets. Whilst the value inherent in these sites is potentially significant, the regulatory, divestment and planning approval processes must be carefully navigated in order to provide the right balance of managing liabilities and creating shareholder value.

We have made significant advances with the former salt field sites over the course of the financial year, details of which are provided following.

Dry Creek

The closure and divestment of the former Dry Creek salt fields near Adelaide in South Australia has been a significant focus of our work over the past two years, both from a site closure and a divestment perspective.

After sole customer Penrice closed its Osborne plant and ceased taking salt from Dry Creek in 2013, Ridley evaluated its alternative options and determined that there was no commercially feasible option to continue to produce salt from the Dry Creek salt fields. Having decided to permanently close the site, we immediately commenced work on a strategy to cease salt production and to develop a plan for permanent closure, rehabilitation and divestment of the salt fields.

From the outset, Ridley was aware of the complexities associated with closure of the fields, which take in some 30 kilometres of South Australian coastline commencing only 12 kilometres north of the Adelaide Central Business District. We fully expected that the closure and divestment process would likely take several years to conclude, and consequently developed, and have been implementing, concurrent strategies in relation to regulatory closure and divestment of the assets.

Ridley has been working closely with the South Australian Government in respect of the closure planning process. During the year we were pleased to reach agreement with the Government on the Plan for Environment Protection and Rehabilitation (PEPR) of the site. Compliance by Ridley with a formally executed PEPR will ensure that the operations and closure of the site will be fully compliant with the relevant provisions of the *Mining Act 1971*, and Ridley can now be confident that it has a framework for ongoing regulatory compliance and ultimate closure of the site.

Ridley has also been working on a divestment strategy for the entire Dry Creek site, and in this regard conducted a multi-phase Expression of Interest (EoI) process that sought proposals from parties interested in the entire site, or parts of the site broken down into the most logical sections, for alternative land uses.

The first phase of the EoI process resulted in the submission of more than 20 proposals to conduct various activities at the site, and this depth of interest gave Ridley confidence that there would be a commercial realisation and closure framework available.

Development concept for Nelson Cove.

Having met with each of the EoI respondents and determined the most commercially feasible options for Ridley to pursue, Ridley shortlisted preferred candidates to participate in a second 'Calls for Commercial Proposals' (CCP) phase. The CCP phase is aimed at developing a commercial framework for the closure and divestment of all or parts of the site, or of the shares in the holding company, Ridley Dry Creek Pty Ltd.

We are pleased with the overall response to the CCP, having received 13 commercial proposals from which Ridley has several viable options for divestment and closure of the site. We have been in discussions with a number of those proponents in relation to advancing commercial agreements and are encouraged by the progress that has been made to date.

Whilst we expect that negotiations and due diligence will take several more months to complete, we are confident in being able to reach a commercial conclusion in the coming year that will enable Ridley to confirm a program for Ridley's exit from the site and crystallise a positive commercial outcome for Ridley shareholders.

Nelson Cove

Ridley and its development partner Sanctuary Living, have been refining plans for the redevelopment of nearly 500 hectares of land currently owned or under Ridley's control at Moolap, near Geelong in Victoria, for a master planned, mixed use development.

Ridley announced in late 2014 that the Victorian Coalition Government had agreed to enter into Exclusive Negotiations with Ridley under its Unsolicited Bid Guidelines for the acquisition of Crown land leased to Ridley as part of the former salt field at Moolap. This announcement followed several years of hard work and negotiations with consecutive Victorian State Governments, and was a significant milestone for the project. By granting exclusivity to deal with Ridley in respect of the particular parcels of land, the Government acknowledged that Ridley was in a unique position to add value to the site and to deliver the significant project, which would bring benefits for Geelong, and more broadly for the State of Victoria.

In May 2015, and after acknowledging several months of delay in progressing the land negotiations, the new Victorian Labour Government advised Ridley that it had decided to 'discontinue' exclusive negotiations while it undertook a 'Strategic Land Use Assessment' of the Corio Bay peninsula area, incorporating both the former Moolap Salt Works and Alcoa's Point Henry site.

Ridley and Sanctuary Living are now focusing our efforts on understanding more from the Government about the nature and timing of this regional assessment and how the current version of the development plan can best complement the Government's vision for the peninsula and fast-track the commencement of development initiatives.

The current development concept can be viewed at www.nelsoncove.com.au and incorporates a landfill solution entirely generated from within the proposed development site.

A significant environmental benefit from the project is the creation of a new migratory bird sanctuary at our former salt field at Lara. For over 100 years now, thousands of acres of man-made salt ponds along the Corio Bay shoreline at Moolap and Lara have inadvertently been a refuge for a population of migratory shore birds. Most of this environment is less than 'ideal' as a bird sanctuary because it was only ever designed or operated with the intent of salt production. An 'ideal' bird habitat needs to be engineered, managed and operated in order to address tidal movements, floods, droughts or other adverse weather conditions.

PROPERTY DEVELOPMENT continued

An intrinsic component of the Nelson Cove project is to create and donate almost 1,100 acres (430 hectares) of 'ideal' migratory bird sanctuary on the shores of Corio Bay, which could be protected by the same international migratory wading bird treaty that protects most of the low lying adjacent coastal lands that form the Bellarine Peninsula Ramsar site. Our environmental studies inform us that migratory birds arriving in Corio Bay are in steady decline as a result of a habitat loss and other factors occurring overseas. Whilst our project cannot mitigate those factors, we believe that the proposed bird sanctuary at Lara will make a very positive contribution to migratory bird conservation efforts locally.

The image featured above shows the location for the proposed bird sanctuary and its proximity to the Nelson Cove development site.

Another major environmental benefit relates to the low lying residential areas adjacent to our site which are already subject to inundation, the exposure to which will only increase over time with progressive rises in sea and groundwater levels. The Nelson Cove engineering works would resolve existing and future flooding issues for these residential areas through the provision of a sea wall and groundwater control system, fully funded by private enterprise as part of the Nelson Cove community development. The project would also treat the contaminated and untreated storm water from existing industrial and residential areas nearby the site that is currently discharged directly into Corio Bay. This would have significant benefits to water quality and the overall health of Corio Bay.

In addition to the significant environmental benefits that are very important parts of the project, the project would provide an economic boost for the region by creating a multitude of new jobs requiring a diverse range of skills from construction and engineering through to retail and tourism.

Further to the economic and environmental benefits discussed above, the Nelson Cove site at Moolap will also set aside another 200 acres (82 hectares) of land for the community to facilitate the establishment of what we have termed 'Geelong Sports Central'. This master planned precinct will provide permanent facilities in a very central location on the Corio Bay peninsula, for all the major sporting codes in Geelong, including AFL football, cricket, soccer, rugby, hockey, tennis and athletics.

Having undertaken the necessary and extensive preparatory studies, Ridley and Sanctuary Living believe we now have a project that is ready to go upon receipt of the requisite approvals. We are of the shared view that the land mix use for the Nelson Cove project can form the cornerstone of any structure planning undertaken for the Corio Bay peninsula region, and look forward to assisting the Government in revitalising the region and leaving a meaningful legacy for future generations.

Whilst we anticipate some delays in commencing the planning approvals process as a result of the recent

Government decision, Ridley is looking forward to participating in the Strategic Land Use Assessment and continuing to advocate for this once in a lifetime project for Geelong.

Lara

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

Preliminary planning investigations for the Lara site indicate that a large portion of the land has redevelopment potential for employment and airport-related uses. Whilst future redevelopment of the site is likely to be some years away, Ridley considers that the site has the potential to create significant value for shareholders, and has been exploring commercial opportunities for the site, including potential sale of part of the site.

We will continue to explore divestment opportunities for the site, however we will retain our patience to ensure that any ultimate divestment occurs at a time and for a consideration that reflect the true economic value of the site. In the meantime, the site holding costs are effectively being covered by sub-leases granted for livestock grazing.

The southern 250 hectares of Ridley's freehold land include frontage to the northern shores of Corio Bay, and are being held to provide for any Crown or environmental offsets that may be required as part of the redevelopment of Ridley's Moolap site. This land is considered an important strategic asset in relation to achieving planning approval at Moolap, and could also result in the creation of a significant environmental asset for the Geelong region once rehabilitated.

Avalon Airport announced last year that international flights could soon be operating out of Avalon after the Federal Government announced it had amended the airport's lease from domestic only to international status. The amendment means Avalon will become Victoria's second international airport and its expansion will create significant opportunities for the establishment of airport related industrial use and support businesses.

In addition to the above, the Linfox Group and China's HNA Group recently signed a Memorandum of Understanding (MoU) to collaborate on a number of key joint initiatives, including establishing commercial flights and air freight services between Avalon Airport and China. Other infrastructure developments currently being investigated, including development of the $250 million rail link to Avalon Airport, will further strengthen strategic opportunities in the region and the attractiveness of the Lara site for third party investors.

Dandenong

During the 2013 financial year, Ridley AgriProducts completed the closure of its mill site in Dandenong, Victoria, with all site, operational activities relocated to its newly constructed facility in Pakenham. Following the closure of the site, Ridley pursued a sale of the 1.3 hectare site, which was 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 demolished all the buildings at the site to prepare the site for sale, and was pleased to announce in April 2015 the execution of an unconditional sale agreement for the site. Having written down the asset in FY13 to a residual carrying value in the vicinity of $670,000, and after incurring agents' fees and minimal legal costs, an accounting profit is expected in excess of $2.2 million upon completion, which is scheduled for 30 November 2015.

OUR PEOPLE AND SUSTAINABILITY

Safety is a fundamental of how we work and operate at Ridley. Beginning with a strong commitment at Board level, safety is embedded in all of our decision-making, both as a fundamental value and set of behaviours, and as one of the six platforms driving the Ridley Strategic Plan.

Maria Robbins
General Manager
Safety, People and Sustainability

Safety

All the work we do is underpinned by a robust safety management system that ensures that we comply with all relevant safety and environmental legislation in all jurisdictions. We strive for safety excellence through good operational and business practice and process, and we extensively manage, measure and report against our safety plan.

At Ridley, we use both lag and lead indicators to measure progress against the plan.

The key lag measures we use to assess safety performance are Lost Time Injury Frequency Rate (LTIFR), which measures the number of lost time injuries per million hours worked, and Total Recordable Frequency Rate (TRFR), which 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.

For FY15, Ridley maintained the downward annual trend of the last few years in both LTIFR and TRFR measures. As outlined in the graph below, LTIFR reduced down to 2.26 and TRFR was recorded at 6.79.

Our lead indicators, designed to reduce safety hazards and injuries through preventative measures, are:

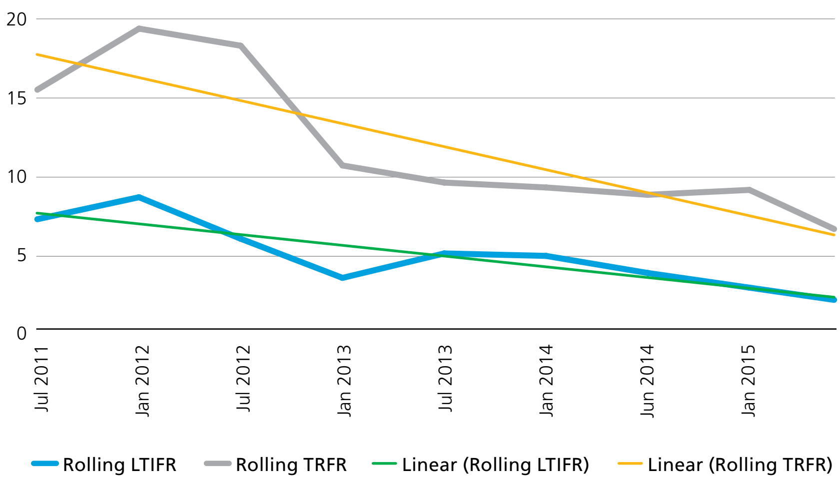
- Completion of mandatory safety training by all staff – for FY15, we have achieved a completion measure of 100%.
- Completion of good manufacturing practice audits on a monthly basis on each site – for FY15, we have achieved a completion measure of 100%.
- Closure of priority actions identified during audits or as a result of incident in investigations – for FY15, we have achieved a closure measure of 96.2%.

Investment in people, systems and capital continues to be a core safety activity through FY15. The National Safety Team has worked hard this year with managers and staff to increase safety capability, embed systems on the ground, and importantly, continually improve our approach.

All staff at Ridley are assigned safety Key Performance Indicators (KPIs) and delivery against those KPIs is measured in the annual performance review process.

The reduction in injury frequency rates is a great result for business. We will continue to put further focus on lead (positive) indicators during FY16.

Four-year rolling LTIFR and TRFR history and trend



People

Ridley's financial results for FY15 are a direct result of the calibre of our people. Each division within Ridley has been working over the last year to focus on and deliver sustainable results. Ridley wide efforts to support this focus have included:

- recruiting talented individuals from a range of industries to add to Ridley's current bench strength;
- adopting Market Based Remuneration Policies, including an extensive analysis of market practice in executive remuneration to ensure that we are aligned to ASX companies of similar size and activities;
- utilising a Learning and Development Program focused on embedding Business Acumen through our key personnel;
- continually improving our performance management skills and practices;
- improving and upgrading staff communications across Ridley; and
- raising the capability and execution skills of our HR team members.

Ridley continues its sound approach to diversity through integrated policy and practices. In the FY15 Workplace Gender Equality Agency Report Ridley reported:

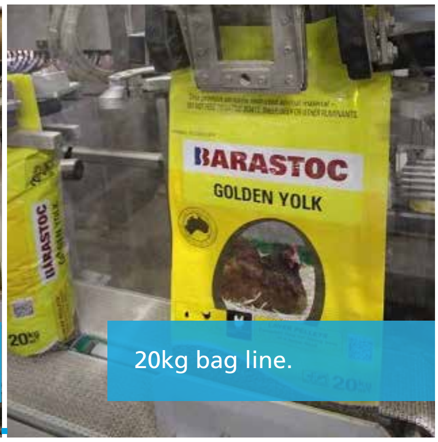
- The employment of Women as Board Members – 14%, Women as Senior Executives – 30%, Women as Senior Managers – 15%, and Women as Professionals – 37%.

Sustainability

In FY14, Ridley launched its Sustainability Strategy. Designed over time to integrate all of the work that we undertake in the business to support environment, community and sustainability, it was to initially focus on Water, Waste and Energy.

In FY15, Ridley achieved some excellent outcomes with the following initiatives:

Bulka bag line.



20kg bag line.

Bagging and wrapping operation.

Wrapping line.

- **Water (Security and Efficiency):** An applied Research and Development (R&D) project commenced in the bioremediation of industrial wastewater at Townsville.
- **Waste (Resource Efficiency and Packaging Waste):** As a signatory to the Australian Packaging Covenant, sustained efforts are being made throughout the organisation to minimise waste. Segregated waste streams are operative across all manufacturing facilities, and innovative schemes are in place to recycle and reuse commercial waste, commencing with the Ridley sites at Pakenham, Townsville, Tamworth and St Arnaud.
- **Energy (Emissions, Climate Change and Efficiency):** The implementation of the Clean Technology Investment Grant has continued during the year with the upgrade and implementation of energy efficient operational solutions, such as tank insulation, boiler upgrades and installation of LED lighting and solar panels. The installation of a new fully automated, energy efficient packaging line at Pakenham is covered in more detail below.

The Sustainability Strategy seeks to collate, record and wherever possible, replicate these initiatives across Ridley.

New Pakenham packaging line

Whilst the majority of feed supplied by Ridley is in bulk form, packaging processes are carried out across five different locations within Ridley AgriProducts. During the year, a significant capital project was undertaken at Pakenham in Victoria to automate the last of the manual handling packaging lines.

The project was carried out in three stages, with Stage 1 consisting of two independent lines of processed finished feed, each from a segregated mill within the Pakenham site, being integrated into one single packing area. A Ruminant line and Monogastric line independently source finished feed to fill 20kg bags, which are then conveyed via belt feeders through a sewing machine. The bags then pass across an inline check weigh belt that certifies correct weights, and positions the bag for a state-of-the-art Fanuc robot to carry out the bag stacking onto pallets. Roller feeders then move the stacked pallets to the film wrapper for end-to-end packaging.

There are safety and environmental benefits derived from the project as well as staffing and operational efficiencies that deliver the capacity to produce filled 20kg bags at 600 bags per line per hour in a continual process. In addition to safety locks being incorporated into the robot cell, together with safety mesh around the perimeter of the robot, the manual handling of bags for the site has been virtually removed, which significantly reduces the risk of repetitive injuries.

The Stage 2 extension of the current warehouse to cater for an extra 600 pallet spaces has a positive safety and environmental impact in respect of forklift traffic movements and easing of congestion and through the unique opportunity to environmentally improve the existing lighting levels and still comply with all the relevant building codes and practices.

The Stage 3 installation of drag conveyors to transfer finished product from the Ruminant plant to the bagging plant further improves safety and efficiency by reducing the traffic flow between the two plants.

Community

Ridley continues its relationships with Aussie Helpers and the Garvan Institute of Medical Research (Garvan).

Garvan and Ridley have joined forces to raise awareness about health and wellbeing in regional and rural Australia through the Healthy Families, Healthy Communities program. Garvan and Ridley have taken the 'Cancer in the Community' road show to communities in regional South Australia to host free public forums. The program was showcased at the National Farmers Federation Conference in Canberra to key farming stakeholders and politicians and also at Beef Australia Week at Rockhampton. There are positive benefits expected from the Healthy Families, Healthy Communities program as it continues to:

- advocate the importance of medical research to rural and regional Australia;
- share important health messages with rural and regional Australia; and
- convey messages supporting healthy living and risk mitigation.

In February 2015, Garvan celebrated the inaugural Community Champion Award for commitment to breakthrough medical research. Ridley was presented with one of the Community Champion Awards.

Ridley's relationship with Aussie Helpers is consistent with our strategy of working closely with the communities where our staff, suppliers and customers live. During the course of FY15, Ridley donated 60 tonnes of animal feed to Queensland farmers affected by drought, donated surplus computer equipment to farming families, and held a Christmas collection drive in the Ridley

Ridley Corporation's Megan Gourlay with Geoff Dixon – Chairman of the Garvan Research Foundation.

Bourke Street Head Office to donate presents to struggling farming families.

Ridley is also committed to helping the social and regional communities in which we operate to grow and develop. We provide support to local communities, business, sporting groups, schools and individuals. Our aim is to support, engage and educate current and future generations. We consider ourselves to be making a long term investment for both the individual and community alike, striving to develop rural communities for generations to come.

Innovation

Ridley has a long history of technical and nutrition innovation and a strong R&D capability. Market surveys reveal that this capability is highly valued by our customers and has contributed greatly to our business success and reputation.

Ridley has a flourishing applied R&D program, underpinned by a robust Stage Gating, Project Management and Portfolio approach. The Applied R&D Team is a cross-functional group of commercial, technical and support people, whose function is to oversee the progress of our Applied R&D Projects and their pathways to commercialisation.

In FY14 we reported that one of the most exciting projects that provides an example of the value of leveraging our expertise in this field is the progress of our work with Novacq™, a bio-active product that has great potential in the development of aqua-feed applications, initially being developed as an additive to prawn feed. During FY15, the Novacq™ project has advanced significantly towards the commercialisation phase of development and we are currently seeking to secure appropriate sites for the scale up of production to commercial quantities. Ridley has been granted exclusive rights to manufacture Novacq™ in Australia and Indonesia and to sell Novacq™ in the territories of Australia, Philippines, Indonesia and Malaysia, and non-exclusive rights in Vietnam and China. Ridley is currently negotiating to acquire similar rights in additional prawn producing territories.

BOARD OF DIRECTORS

John M Spark

BComm FCA

Resigned on 1 July 2015

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. John 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.

Dr Gary H Weiss

LLB (Hons) LLM (NZ) JSD (Cornell, NY)

Independent Non-Executive Director and appointed Chair on 1 July 2015

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 LLB (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 and private companies. Dr Weiss was appointed Chair on 1 July 2015.

Other current listed company directorships

Ariadne Australia Limited from 1989. Premier Investments Limited from 1994. Tag Pacific Limited from 1988. Pro-Pac Packaging Limited from 2012. Clearview Wealth Limited from October 2012. Thorney Opportunities Limited from 2013. The Straits Trading Company Limited from 2014.

Former listed company directorships in the last three years

Mercantile Investment Company Limited from 2012 until February 2015. Dr Weiss resigned as a Non-Executive Director and acts as an Alternate Director for Mr Daniel Weiss.

Tim Hart

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

Chief Executive Officer and Managing Director

Tim commenced employment with Ridley on 2 April 2013 as CEO Designate, was appointed a Director on 24 June 2013, and was formally appointed as Chief Executive Officer and Managing Director on 1 July 2013. Tim was previously CEO of Sugar Australia and Sugar New Zealand, being joint ventures between Wilmar/CSR and Mackay Sugar Limited. Prior to that, he 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.

Professor Andrew L Vizard

BVSc (Hons) MPVM FAICD

Independent Non-Executive Director

A Director since 2001, Andrew is a Principal Fellow at the University of Melbourne and former Director of the Mackinnon Project at that university. 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

None.

Patria M Mann

BEc CA FAICD

Independent Non-Executive Director

Appointed in March 2008, Patria is currently a Non-Executive Director of Amalgamated Holdings Limited, Allianz Australia Limited and Perpetual Superannuation Limited. Formerly a partner at KPMG and an experienced Director, she brings strong audit, investigation, risk management and governance experience to the Board. Patria is a member of the Institute of Chartered Accountants and a Fellow of the Institute of Company Directors.

Other current listed company directorships

Amalgamated Holdings Limited from 2013.

Former listed company directorships in the last three years

None.

Professor Robert J van Barneveld

B.Agr.Sc. (Hon), PhD, R.An. 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 the 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 Fresh Foods Pty Ltd and Roseworthy Piggery Pty Ltd. He is also Chair of Sunpork Pty Ltd and Deputy Chair of Autism CRC Ltd. Professor van Barneveld is an adjunct Professor in the School of Environmental Rural Science at the University of New England.

Other current listed company directorships

None.

Former listed company directorships in the last three years

None.

Ejnar Knudsen

CFA

Non-Executive Director Mr Knudsen represents the interests of 19.73% shareholder AGR Agricultural Investments LLC (formerly known as Insitor Holdings, LLC) and AGR Partners, LLC

Appointed on 24 June 2013, Ejnar is the managing member of AGR Partners, LLC, an associated entity of Ridley's largest shareholder, AGR Agricultural Investments LLC (formerly known as Insitor Holdings, LLC). 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 start-up 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 and Craton Capital.

Other current listed company directorships

None.

Former listed company directorships in the last three years

None.

FINANCIAL REPORT

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2015

The Directors of Ridley Corporation Limited (Ridley or 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 2015.

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 (resigned on 1 July 2015)
TJ Hart
AL Vizard
PM Mann
RJ van Barneveld
GH Weiss
E Knudsen

2. Principal activities

The principal continuing activities of the Group during the year were the production of premium quality, high performance animal nutrition solutions.

3. Results

Table 1

	2015 $'000	2014 $'000
Profit from continuing operations before income tax	**31,082**	22,043
Income tax expense	**(9,911)**	(4,430)
Net profit attributable to members of Ridley Corporation Limited	**21,171**	17,613

4. Review of operations

Operating result

A consolidated profit after tax of $21.2 million has been recorded for the 2015 financial year, an increase of $3.6 million (20.2%) on the prior year. Within the consolidated result, the Ridley agribusiness recorded an EBIT of $50.4 million, a second successive record and $10.3 million up on the prior year's record of $40.1 million.

The full year consolidated EBIT of $35.2 million before non-recurring items comprises the Ridley agribusiness result, Corporate costs of $8.9 million, Dry Creek net operating costs of $3.6 million, and Non-Dry Creek Property costs of $2.7 million.

Net finance costs for the year of $5.0 million reflect interest on bank debt and the trade payables facility plus amortisation of establishment and other fees.

The tax expense for the current year of $9.9 million after non-recurring items includes an under provision in the prior year of $0.3 million and an impairments add back of $0.7 million, without both of which the underlying effective tax rate would be 28.6%.

There were favourable, non-recurring, after tax items of $0.3 million recorded for the year, which have been segregated from ongoing activities in the following table.

4. Review of operations continued

Profit and loss account

Table 2 in $ million	2015	2014	Movement
Earnings from operations before finance income and expense and tax expense (EBIT):			
Ridley AgriProducts	50.4	40.1	10.3
Corporate	(8.9)	(8.6)	(0.3)
Property – Dry Creek	(3.6)	(0.4)	(3.2)
– Other	(2.7)	(2.2)	(0.5)
EBIT from operations before non-recurring costs	**35.2**	**28.9**	**6.3**
Net finance costs	(5.0)	(5.4)	0.4
Income tax expense	(9.3)	(4.4)	(4.9)
Net profit from continuing operations after tax before non-recurring items	**20.9**	**19.1**	**1.8**
Other non-recurring items	0.3#	(1.5)	1.8
Reported net profit	**21.2**	**17.6**	**3.6**
Earnings per share (cents):			
(i) continuing	6.9	5.7	1.2
(ii) reported	6.9	5.7	1.2

The profit and loss summary with a prior period comparison provided in Table 2 above, has been sourced from the audited accounts but has not been subject to separate review or audit. The Directors believe that the presentation of the unaudited non-IFRS profit and loss summary in Table 2 is useful for users as it reflects the underlying profits of the business.

Net of tax expense of $0.6 million.

Sales revenue and gross profit

Agribusiness sales revenue for FY15 of $909.8 million was up $36.2 million (4.1%) on last year's $873.6 million, and reflects 1.90 (2014: 1.89) million tonnes of stockfeed and rendered products sold. Consolidated gross profit from continuing operations was $77.6 million, $11.7 million (17.7%) above last year's $65.9 million equivalent.

Corporate and property costs

Corporate costs of $8.9 million are consistent with the prior year, only increasing by $0.3 million (3.5%).

A net loss of $3.6 million has been recorded in respect of the maintenance and closure of the former salt field at Dry Creek in South Australia. The prior year figure includes the benefit of $2.5 million of profits from sales of land, whereas there were no Dry Creek land sales in FY15. We are optimistic about reaching a positive outcome on the Dry Creek sale process during FY16, which will provide clarity on the carrying value and future site maintenance costs.

The other property costs of $2.7 million are $0.5 million higher than the prior period due to an increase in consulting and advisory activity for the Nelson Cove project. We will be looking to provide some guidance on the process and timing for the Nelson Cove development once we have clarification from the Victorian State Government following its review of the Corio Bay peninsula.

Net finance costs

The net finance costs of $5.0 million are $0.4 million lower than the prior period, which reflects the continuing low interest rates and a slight reduction in debt over the course of the year.

Income tax expense

The Table 2 tax expense of $9.3 million excludes $0.6 million of tax on non-recurring items, and incorporates $0.3 million of under provision from the prior year and an add back on revenue account of $0.7 million for impairments booked during the year, without which the effective tax rate on the increased taxable profits would have been 28.6%.

Non-recurring costs and discontinued operations

There have been a number of non-recurring items during the year that have been segregated from ongoing operating activities and which in aggregate have generated a positive after tax contribution of $0.3 million.

Balance Sheet

There have been the following material movements in the Balance Sheet over the last 12 months:

(i) The reclassification of $33.5 million of Dry Creek assets from Non-current investment property to Current assets held for sale, with an impairment of $1.4 million recognised in the Consolidated Statement of Comprehensive Income and against the carrying value to reflect the best estimate of the underlying value expected to be crystallised from the conclusion of the current sale process, as well as the expected realisation time frame.

(ii) A $15.7 million increase in cash and cash equivalents reflects the timing of cash receipts versus application to tranches of borrowings, which have increased by $12.1 million, for a net sum gain of $3.6 million.

(iii) Increases in receivables ($4.7 million), inventory ($17.0 million) and payables ($29.3 million), reflect the higher level of sales activity and inventory holding levels required to keep the mills operating at capacity.

(iv) A $20.9 million increase in property, plant and equipment, which reflects a strong year of investment, including the investment in the potential feedmill site at north east Geelong (announced in August 2014), a new dairy blending and storage facility constructed during the year at Terang in western Victoria, and the strategic acquisition of land and storage facilities adjacent to the existing rendering site at Laverton.

(v) With the product trials in feedstock applications still in progress, and with definitive supply agreements to source raw materials and any project proposals yet to be developed, during the year ending 30 June 2015 an impairment loss of $1,084,000 has been included in the Consolidated Statement of Comprehensive Income against the available for sale asset (note 15).

Cash flow and working capital

The operating cash inflow for the year as shown in Table 3 after working capital movements and maintenance capital expenditure was $45.2 million, an increase of $21.1 million from the $24.1 million recorded in the prior year.

The Company has invested $20.6 million in development projects during the year, the three largest of which are noted above in the Balance Sheet analysis. Maintenance capital expenditure of $12.8 million remains below the $14.9 million aggregate charge for depreciation and amortisation.

Payments for intangible assets of $0.4 million reflect Novacq™ R&D costs while the prior year balance of $5.2 million included $4.5 million relating to the acquisition of a long term poultry supply agreement, which has contributed incremental poultry earnings and volumes.

Dividends paid during the year comprise the final dividend of 2.0 cents in respect of the prior financial year paid on 31 October 2014 and the interim dividend of 1.5 cents per share paid on 30 April 2015.

Net proceeds of $3.5 million from sales of assets comprise the sale of the Dalby site plus $2.7 million of proceeds received on 1 July 2014 from the prior year Dry Creek surplus land sales.

Tax instalment payments of $6.6 million were made during the year compared to a net prior year refund of $1.6 million.

4. Review of operations continued

Table 3 in $ million

Cash flows for the year	Year Ended 30 June 2015	30 June 2014
EBIT from operations after transaction costs and before discontinued operation and non-recurring costs	35.2	28.9
Net cash flow from discontinued operation and non-recurring items	0.9	(1.5)
Depreciation and amortisation	14.9	13.6
EBITDA	**51.0**	**41.0**
(Increase)/decrease in working capital	7.0	(5.5)
Maintenance capital expenditure	(12.8)	(11.4)
Operating cash flow	**45.2**	**24.1**
Development capital expenditure	(20.6)	(2.3)
Payment for intangibles	(0.4)	(5.2)
Dividends paid	(10.6)	(4.6)
Capital return	-	(23.1)
Share-based payments	(2.0)	(3.3)
Net proceeds from sale of property assets	3.5	1.4
2014: Investment in Bluewave and contingent consideration	-	(1.4)
Net finance cost payments	(4.9)	(4.8)
Net tax refund/(payments)	(6.6)	1.6
Movement in other Balance Sheet items	-	(0.9)
Cash flow for the period	**3.6**	**(18.5)**
Opening net debt balance at 1 July	(36.3)	(17.8)
Closing net debt balance at 30 June	**(32.7)**	**(36.3)**

The cash flow summary with a prior period comparison provided in Table 3 above, has been sourced from the audited accounts but has not been subject to separate review or audit. The Directors believe that the presentation of the unaudited non-IFRS cash flow summary in Table 3 is useful for users as it reflects the underlying cash flows of the business.

Segments

The ongoing reportable segments are as follows:

AgriProducts Australia's leading supplier of premium quality, high performance animal nutrition solutions.

Property Realisation of opportunities in respect of surplus property assets and sales of residual property site assets.

Risks

The following is a summary of some of the continuing significant 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, (namely Poultry and Pig, Dairy, Aqua, Beef and Sheep, Packaged Products and Rendering) some of which have a positive or negative correlation with each other, Ridley is not dependent upon a single business sector and is able to spread the sector and adverse event risk across a diversified portfolio.
- **Influence of domestic 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 not being able to control the availability of natural pasture, Ridley 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 a 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 third party market risk, such as what happened with the outbreaks of Avian Influenza two years ago, which effectively closed most of the export markets for poultry meal products.
- **Customer concentration and risk of regional consolidation** – Ridley endeavours to enter into long term sales and supply contracts with its customers and suppliers. This provides surety of volumes required to plan appropriate shift structures, procurement and supply chain activities and capital expenditure programs, and actively manages the risk of stranded assets and backward integration into feed production by significant customers.
- **Property holdings** – Ridley has a dedicated property teams that manages the maintenance of non-operating sites, secures appropriate redevelopment approvals and optimises the realisation of shareholder value from surplus property.
- **Corporate** – risks such as safety, recruitment and retention of high-calibre employees, inadequate innovation and new product development, customer credit risk, interest rate, foreign exchange and inappropriate raw material purchases are actively managed through the Company's risk management framework, which includes review and monitoring by the executive lead team.

Earnings per share

The underlying earnings per share of 6.9 cents reflects the result on a stable equity platform following the FY13 financial impact of the sale of Cheetham Salt and the non-recurring pre-tax write-downs, impairments and transaction costs of $37.2 million.

Earnings per share (cents)	2015	2014
Basic earnings per share	**6.9**	5.7

Gearing

Gearing is reported as debt to equity in accordance with the covenants of the Group banking facility.

Gearing	2015 $'000	2014 $'000
Gross debt	**67,693**	55,584
Less: cash	**(34,991)**	(19,241)
Net debt	**32,702**	36,343
Total equity	**229,834**	219,774
Gearing ratio	**14.2%**	16.5%

Capital movements

During FY15, a total of 1,870,969 (FY14: 3,822,834) shares were acquired by the Company on market for an outlay of $2.0 million (FY14: $3.3 million) in satisfaction of:

(i) the issue of 1,100,713 (FY14: 2,889,054) shares allocated to Ridley employees under the Ridley Long Term Incentive Plan; and

(ii) 770,256 (FY14: 933,780) shares allocated under the Ridley Employee Share Scheme.

There were no new issues of capital during either financial year.

Dividend

The Board paid a 2014 final dividend of 2.0 cents per share, fully franked on 31 October 2014 and a 2015 interim dividend of 1.5 cents per share, fully franked on 30 April 2015. Ridley does not have a formal dividend policy but its intention is to adopt a consistent dividend profile in the future that reflects the earnings and cash flow conversion of the business and the growth opportunities prevalent and foreseeable at the time of dividend declaration.

After the Balance Sheet date, a 2015 final dividend of 2.0 cents per share, fully franked and payable on 30 October 2015 was declared by the Directors. The final dividend has not been provided for and there are no income tax consequences. The financial effect of this dividend has not been brought to account in the consolidated financial statements for the year ended 30 June 2015 and will be recognised in subsequent financial reports.

4. Review of operations continued

Outlook

The 79% uplift in core business EBIT from $28.1 million in 2013 to $50.4 million in FY15 has been achieved essentially from our existing asset base without the benefit of any external acquisitions, acknowledging the additional poultry volume acquired through the prior year long term poultry supply agreement. The rate of growth over the last two years is unsustainable in the long term, however we do believe that there is further growth that can be extracted from the current portfolio of assets in the coming years.

To augment the expected organic growth, we are continuing to develop the concepts and plans for the modernisation of our feedmills in a number of key regions. The replacement of an older mill with a newer, more energy and staffing efficient feedmill is capable of returning the cost of capital. What is needed to generate a return that meets Ridley's internal hurdle rates is a combination of incremental volume and freight/logistics savings or arbitrages. In order to de-risk the capital outlay associated with any major new project, these profit enhancing factors need to be underwritten by way of contractual commitments. We are continuing our discussions to secure the requisite commitments for a number of potential new feedmill projects and hope to be able to announce approval for one or more of these projects in the coming year.

We are aiming to finalise current negotiations and the due diligence phase to develop a commercial solution for the entire Dry Creek site which optimises Ridley shareholder returns and which will provide clarity on the carrying value and future site maintenance costs. We will also be looking to provide some guidance on the process and timing for the Nelson Cove development once we have clarification from the Victorian State Government on the scope of its review of the Corio Bay peninsula.

In addition to organic growth through a program of mill modernisation, Ridley continues 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.

5. Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the year ended 30 June 2015.

6. Dividends and distributions to shareholders

Dividends paid to members during the financial year were as follows:

	2015 $'000
Interim dividend in respect of the current financial year paid on 30 April 2015 of 1.5 cents, 100% franked	**4,618**
Final dividend in respect of the prior financial year paid on 31 October 2014 of 2.0 cents, 100% franked	**6,156**
	10,774

7. 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 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 reporting requirements

The Group is subject to the reporting requirements of the *National Greenhouse and Energy Reporting Act 2007 (Cth)* (NGER), which governs the reporting and dissemination of information about greenhouse gas emissions, greenhouse gas projects and energy use and production. Ridley has submitted its an annual report in compliance with its reporting requirements.

8. Directors' and executives' remuneration

Refer to the Remuneration Report.

9. 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 (performance rights)	5,100,000	Various
Ridley Employee Share Scheme (Options)*	4,404,595	Various

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

No holder has any right under the above plan and scheme to participate in any other share issue of the Company or of any other entity. The Company will issue shares when the options and performance rights are exercised. Further details are provided in note 26 in the Notes to the Financial Statements and in 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.

10. Information on Directors

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

11. Post balance date events

No matters or circumstances have arisen since 30 June 2015 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.

12. 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 Governance Institute of Australia and a Member of the Institute of Chartered Accountants Australia and New Zealand.

13. 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 Company's Directors, 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 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 controlled entities, and the general managers of the Group.

14. 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 as a committee member, 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#	11	11	4	4	2[1]	2[1]	-	-
TJ Hart	11	11	-	-	-	-	4	4
AL Vizard	11	11	1[2]	1[2]	5[1]	5[1]	4[3]	4[3]
PM Mann	11	11	4	4	-	-	-	-
RJ van Barneveld	11	11	-	-	-	-	4[3]	4[3]
GH Weiss#	11	11	4	4	5	5	-	-
E Knudsen	11	10	-	-	-	-	4	3

H: Number of meetings held during period of office.
A: Number of meetings attended.
1. Mr Spark resigned from the Remuneration Committee and Professor Vizard was appointed Chair on 20 November 2014.
2. Professor Vizard resigned from the Audit and Risk Committee on 20 November 2014.
3. Professor Vizard resigned as Chair and Professor van Barneveld was appointed Chair on 20 November 2014.
Mr Spark resigned as Chair and from the Ridley Board on 1 July 2015. Dr Weiss was appointed as Chair on 1 July 2015.

15. Non-audit services

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

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 of such expertise on separately negotiated fee arrangements 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; and
- 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 52.

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	227,610
Other services	103,800
Total	**331,410**

16. 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 20 August 2015 in accordance with a resolution of the Directors.

GH Weiss
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 2015. This report forms part of the Directors' Report for the year ended 30 June 2015.

Remuneration Committee

The Remuneration Committee, (throughout the Remuneration Report referred to as the 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 resolutions in its own right and recommendations to the Board on remuneration packages and other terms of employment for the Managing Director, other senior executives and Non-Executive Directors. The Committee is not responsible for evaluating the Board's performance, reviewing Board size and composition and setting the criteria for membership and candidates to fill vacancies; these responsibilities are managed by 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.

The number of meetings held during the year is shown as item 14 of the Directors' Report.

Services from remuneration consultants

The Committee engaged both the Godfrey Remuneration Group (GRG) and Hay Group (Hay) in August 2014 for a period of one year as remuneration consultants to the Board. GRG and Hay were engaged to provide remuneration recommendations relating to key management personnel (KMP) of the Group, to provide advice outlining retention strategies for key senior managers in the event of a change in control event for the Group, and to provide recommendations in relation thereto.

GRG was paid $58,300 and Hay was paid $66,147 for the remuneration reports and recommendations in respect of reviewing and benchmarking the amount and elements of KMP remuneration.

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

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

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 operations and achieving the Group's strategic objectives.

Executive remuneration is thoroughly benchmarked against a Comparator Group of Companies comprised of ASX, globally listed and private companies of similar function and size to Ridley.

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:

(i) offer a base Total Employment Package (TEP) that can attract talented people;

(ii) provide short term performance incentives to encourage personal performance;

(iii) provide long term incentives to align the interests of executives more closely with those of Ridley shareholders; and

(iv) reward sustained superior performance, foster loyalty and staff retention.

The overall level of executive reward takes into account the performance of the Group primarily for the current year.

Remuneration of Directors and executives continued

Consequences of performance on shareholder wealth

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

		2015	2014	2013	2012	2011
Profit/(loss) attributable to members of Ridley Corporation Ltd	$'000	**21,171**	17,613	(21,694)	19,253	29,316
Earnings Before Interest and Tax	$'000	**36,141**	27,435	(13,272)	35,682	39,965
Cash flow from operating activities	$'000	**47,059**	31,349	52,583	50,896	35,472
Return on shareholders' funds before significant items	%	**9.4**	7.8	(6.8)	6.9	10.3
Dividends paid	$'000	**10,774**	4,617	11,543	23,086	23,086
TSR[#]	%	**62.0**	8.0	(19.1)	(11.0)	13.5
Short Term Incentive to KMP	$'000	**1,559**	1,142	862	158	497

Total Shareholder Returns (TSR) is calculated as the change in share price for the year plus dividends paid for the year, divided by the opening share price.

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, and Chair of the Audit and Risk Committee and Ridley Innovation and Operational Committee, receive fees in addition to the base Director fees. The total amount paid to Non-Executive Directors in FY15 was $620,000.

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 2015.

Executives

The executive pay and reward framework comprises the three components of base pay and benefits, short term incentives, and long term incentives.

Base pay and benefits

Executives receive a base package that 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 the base package and benefits for non-executive staff 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 (the Fund), 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. In the prior year, the Group terminated a legacy defined benefit plan through the provision of compensation and transfer of the five residual members to a defined contribution plan.

Short term incentives

Executives and employees in senior positions are eligible for short term incentive (STI) payments based on two equal 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 that includes setting stretch target and minimum performance levels required to be achieved prior to any payment of an STI. KPIs are initially set by the Board for the Managing Director based on the adopted business strategy, and then these are cascaded down to the KMPs, CEO Direct Reports and then throughout the business, recognising the relative contributions required of each role within the organisation.

Group financial performance component of the STI for FY15 was assessed against budgeted Earnings Before Interest and Tax, profit after tax, cash flow and return on funds employed. The measures of personal performance include targets on safety, training, operational excellence, customer focus, sustainability and community, and people values and development.

Following the end of the 2015 financial year, the financial results and each individual's performance against KPIs have been reviewed to determine STI payments for each executive. For FY15, the financial performance hurdles have been met.

For the 2014 financial year, the financial performance hurdles were also met.

STI incentives range from 100% of the base package for the CEO down to 10% of base package for the least senior participants in the plan. The KPIs are designed to incentivise successful and sustainable financial outcomes, instil a culture where safety is paramount, and encourage excellence, innovation, and behaviour in compliance with the Ridley Code of Conduct.

Long term incentives

In the year ended 30 June 2015, executives' and employees' long term incentives were provided by way of participation in the Company wide Ridley Employee Share Scheme. There was also an annual issue of performance rights to senior executives and officers under the Ridley Long Term Incentive Plan (LTIP) with an effective date of 1 July 2014 and standard terms and conditions as stated below.

The long term incentive programs align the interests of executives more closely with those of Ridley shareholders in rewarding sustained superior performance, whilst also fostering loyalty and staff retention. Directors and senior executives are not permitted to enter into any transaction that is designed or intended to hedge any 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 through the delivery of long term, sustainable business objectives that are directly linked to the generation of 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 continued employment (with an exclusion for cessation of employment for a Qualifying Reason such as death, disability or redundancy) and 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. Performance is measured over the three-year period from the effective date of grant. Fifty per cent 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 proportionate 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 test period by an independent third party, which submits a report detailing the extent of any vesting in accordance with the above rules. 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.

TSR is the Company's preferred performance measure as it provides a comprehensive measure of Company performance against a comparator peer group from the perspective of value delivered to shareholders through a combination of share price growth, dividends and capital returns.

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 that participant, subject again 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 being to purchase the shares on-market.

During the year ended 30 June 2015, 2,700,000 (2014: 2,525,000) Rights were issued under the LTIP, of which 1,300,000 (2014: 1,300,000) were granted as remuneration to KMP and the balance issued to other, non-KMP senior executives within the organisation.

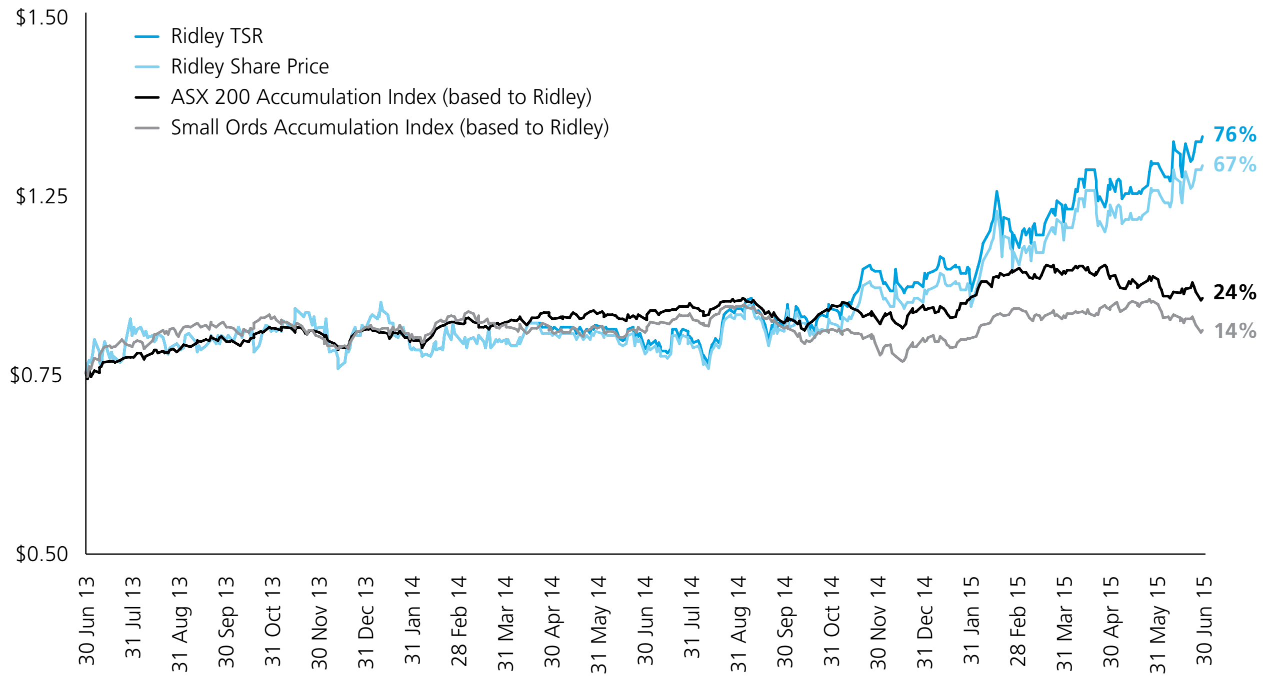
Current long term incentive plans continued

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 2015 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 2015	Hypothetically Vested at 30 June 2015
1 July 2013	69.9%	(16.2%)	87.8	2,400,000	2,400,000	100%
1 July 2014	56.3%	(3.5%)	89.6	2,700,000	2,700,000	100%

Graph: Comparison of growth of Ridley Corporation Limited share price to the ASX Small Ords and ASX 200 Accumulation Index for FY15



Ridley Employee Share Scheme (Scheme)

Under the Scheme, shares are offered to all permanent Australian employees with a minimum of 12 months' service prior to the offer date, 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. 770,256 (2014: 933,780) shares were acquired on-market and allocated to participating employees under the Scheme during the year. The total value of the shares purchased on-market was $909,000 (2014: $791,000).

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	**2015**	2014	**2015 $'000**	2014 $'000
Employee Share Scheme	**770,256**	933,780	**909**	791
Long term incentive plan	**1,100,713**	1,064,054	**1,061**	926
Special Retention Plan	-	1,825,000	-	1,548
Total	**1,870,969**	3,822,834	**1,970**	3,265

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) throughout the current financial year unless otherwise stated.

Name	Position	Status
Directors		
JM Spark[a]	Chair	Resigned on 1 July 2015
TJ Hart	Managing Director and CEO	
AL Vizard	Director	
PM Mann	Director	
RJ van Barneveld	Director	
GH Weiss	Director	Appointed Chair on 1 July 2015
E Knudsen	Director	
Executives		
AM Boyd	Chief Financial Officer and Company Secretary	
M Robbins	General Manager Safety, People and Sustainability	
CW Klem	General Manager Rendering	
AI Lochland	General Manager Packaged, Aqua-Feed and Supplements	
AM Mooney	General Manager Commercial Feed	
S Butler	General Manager Ridley Land Corporation Pty Ltd	
J Murray	Non-Executive Director and Chairman of Ridley Land Corporation Pty Ltd	

(a) JM Spark resigned as Chair and from the Ridley Board on 1 July 2015. GH Weiss was appointed as Chair on 1 July 2015.

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 2014 and 2015 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 dollar unless otherwise stated.

2015	Short Term Benefits		Post-employment Benefits	Share-based Payments			
Name	Directors' Fees and Cash Salary $	STI $	Super-annuation $	Performance Rights/ Options $	Total $	%[1]	%[2]
Directors							
JM Spark – Chair	159,091	-	15,909	-	175,000	-	-
TJ Hart – Managing Director	671,000	721,000	50,000	201,177	1,643,177	12%	56%
AL Vizard[3]	95,000	-	-	-	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[3]	85,000	-	-	-	85,000	-	-
Total Directors	**1,251,001**	**721,000**	**89,999**	**201,177**	**2,263,177**		
Executives							
AM Boyd	405,652	218,508	25,000	67,844	717,004	9%	40%
M Robbins	320,100	105,060	25,000	25,344	475,504	5%	27%
CW Klem	266,738	96,000	26,674	42,844	432,256	10%	32%
AI Lochland	270,268	96,000	27,026	42,844	436,138	10%	32%
AM Mooney	323,952	105,960	24,600	41,667	496,179	8%	30%
S Butler	258,825	216,686	25,882	1,177	502,570	0%	43%
J Murray	104,545	-	10,455	-	115,000	0%	0%
Total Executives	**1,950,080**	**838,214**	**164,637**	**221,720**	**3,174,651**		
Total	**3,201,081**	**1,559,214**	**254,636**	**422,897**	**5,437,828**		

1. Percentage remuneration consisting of performance rights/options.
2. Percentage remuneration performance related.
3. Director fee paid to a Company or Family Trust.

2014	Short Term Benefits			Post-employment Benefits	Share-based Payments			
Name	Directors' Fees and Cash Salary $	STI $	Other Benefits $	Super-annuation $	Performance Rights/ Options $	Total $	%[1]	%[2]
Directors								
JM Spark – Chair	159,091	-	-	15,909	-	175,000	-	-
TJ Hart – Managing Director	650,000	546,000	-	50,000	84,000	1,330,000	6%	47%
AL Vizard[3]	95,000	-	-	-	-	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[3]	85,000	-	-	-	-	85,000	-	-
Total Directors	**1,230,001**	**546,000**	**-**	**89,999**	**84,000**	**1,950,000**		
Executives								
AM Boyd	392,114	176,080	-	25,000	186,082	779,276	24%	46%
M Robbins[4]	155,321	37,230	-	12,500	-	205,051	0%	18%
CW Klem	258,353	65,042	10,000	25,835	130,360	489,590	27%	42%
AI Lochland[5]	231,156	53,454	-	23,115	17,500	325,225	5%	22%
AM Mooney	312,586	85,507	-	24,600	129,222	551,915	23%	39%
S Butler	252,500	110,000	-	25,250	97,110	484,860	20%	43%
J Murray	135,329	-	-	14,671	474,476	624,476	76%	76%
RN Lyons[6]	275,827	68,686	-	25,000	114,610	484,123	24%	38%
Total Executives	**2,013,186**	**595,999**	**10,000**	**175,971**	**1,149,360**	**3,944,516**		
Total	**3,243,187**	**1,141,999**	**10,000**	**265,970**	**1,233,360**	**5,894,516**		

1. Percentage remuneration consisting of performance rights/options.
2. Percentage remuneration performance related.
3. Director fee paid to a Company or Family Trust.
4. Remuneration reflects period from appointment on 6 January 2014.
5. Remuneration reflects period from appointment on 19 August 2013.
6. Ceased being a KMP on 5 August 2013, remuneration reflects whole financial year.

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

Details of remuneration continued

Contracts of employment

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

TJ Hart, CEO and Managing Director

- Base remuneration, inclusive of superannuation and any elected benefits, of $721,000 for the 2015 financial year, increasing by 3% to $742,630 on 1 July 2015.
- Full scheme participation up to 100% of total base package based on the achievement of certain agreed KPIs as approved by the Board. The 50% of Ridley financial performance measures for FY15 included a mix of performance against budgeted Earnings Before Interest and Tax, profit after tax, cash flow and return on funds employed. The measures of personal performance include targets on safety, training, operational excellence, customer focus, sustainability and community, and people values and development.
- Eligible to participate in the Ridley LTIP and Ridley to use its best endeavours to obtain shareholder approval for the issue of equity securities under the scheme. Shareholder approval was received on 21 November 2014 for the 600,000 performance rights issued to Mr Hart in the financial year with a three-year performance test period commencing on 1 July 2014.
- 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 benefits 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 Managing Director may resign at any time and for any reason by giving Ridley three months' notice in writing.

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

Notice periods

The notice period for terminating employment of KMP ranges from three months to six months for executives and 12 months for the Managing Director.

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 in the following table.

	STI Percentage	STI Payment	2015		2014	
Name	Range of TEP %	in $	Paid %	Forfeited %	Paid %	Forfeited %
TJ Hart	0–100	721,000	100%	-	78%	22%
AM Boyd	0–50	218,508	100%	-	41%	9%
M Robbins	0–30	105,060	100%	-	11%	4%
CW Klem	0–30	96,000	100%	-	23%	7%
AI Lochland	0–30	96,000	100%	-	17%	6%
AM Mooney	0–30	105,960	100%	-	25%	5%
S Butler	(i)	216,686	100%	-	(i)	(i)
J Murray	0	-	-	-	0%	0%

(i) Mr Butler has individual STI targets based on the achievement of property management and realisation objectives.

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 KMP 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 2014	Granted[1]	Vested[2]	Forfeited	Balance at 30 June 2015[3]	Date Exercised[4]
Directors						
TJ Hart	600,000	600,000	-	-	**1,200,000**	-
Key management personnel						
AM Boyd	380,297	200,000	(133,420)	(46,877)	**400,000**	5 Dec 2014
M Robbins	-	125,000	-	-	**125,000**	-
CW Klem	237,686	125,000	(83,388)	(29,298)	**250,000**	5 Dec 2014
AI Lochland	125,000	125,000	-	-	**250,000**	-
AM Mooney	237,686	125,000	(83,388)	(29,298)	**250,000**	5 Dec 2014
S Butler	112,686	-	(83,388)	(29,298)	-	5 Dec 2014
J Murray	540,891	-	(400,259)	(140,632)	-	5 Dec 2014
Total issued to Directors and key management personnel	**2,234,246**	**1,300,000**	**(783,843)**	**(275,403)**	**2,475,000**	-

1. The fair value per option at the grant date of 1 July 2014 was $0.58 per share.
2. Vested at the end of the performance period on 5 December 2014.
3. Performance rights are due to vest between July 2016 through to July 2017.
4. The value at the 5 December 2014 date of exercise was $0.95 per share.

Shareholdings

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

Number of shares held in Ridley Corporation Limited

	Balance at 1 July 2014	Received During the Year[1]	Acquired/(Disposed) During the Year	Balance at 30 June 2015
JM Spark	498,500	-	-	498,500
TJ Hart	25,000	1,783	-	26,783
AL Vizard	48,658	-	-	48,658
PM Mann	96,625	-	-	96,625
RJ van Barneveld	58,900	-	-	58,900
GH Weiss	25,000	-	25,000	50,000
E Knudsen	703,286	-	-	703,286
Total Directors	**1,455,969**	**1,783**	**25,000**	**1,482,752**
AM Boyd	563,463	135,203	-	698,666
M Robbins	-	-	-	-
CW Klem	283,887	85,171	-	369,058
AI Lochland	-	-	-	-
AM Mooney	436,935	83,388	(125,000)	395,323
S Butler	212,649	85,171	(125,000)	172,820
J Murray	1,373,863	400,259	-	1,774,122
Total executives	**2,870,797**	**789,192**	**(250,000)**	**3,409,989**
Total key management personnel	**4,326,766**	**790,975**	**(225,000)**	**4,892,741**

1. Received either from the vesting of performance rights or through the Ridley Employee Share Scheme.

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 2015 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
20 August 2015

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 $'000	2014 $'000
Revenue from continuing operations	4	**909,850**	873,625
Cost of sales		**(832,253)**	(807,744)
Gross profit		**77,597**	65,881
Finance income		**272**	230
Other income	4	**4,649**	5,972
Expenses from continuing operations:			
Selling and distribution		**(12,252)**	(10,432)
General and administrative		**(31,479)**	(33,543)
Finance costs	5	**(5,331)**	(5,622)
Business restructuring	5	**(2,480)**	(466)
Share of net profits from equity accounted investments	14	**106**	23
Profit from continuing operations before income tax expense		**31,082**	22,043
Income tax expense	6	**(9,911)**	(4,430)
Profit from continuing operations after income tax expense		**21,171**	17,613
Net profit after tax attributable to members of Ridley Corporation Limited		**21,171**	17,613
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Actuarial gain on defined benefit superannuation		**-**	123
Other comprehensive income for the year, net of tax		**-**	123
Total comprehensive income for the year		**21,171**	17,736
Total comprehensive income for the year attributable to:			
Ridley Corporation Limited		**21,171**	17,736

Earnings per share	Note	2015	2014
Basic earnings per share	1	**6.9c**	5.7c
Diluted earnings per share	1	**6.9c**	5.7c

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

CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2015

	Note	2015 $'000	2014 $'000
Current assets			
Cash and cash equivalents	7	**34,991**	19,241
Receivables	8	**101,037**	96,371
Inventories	9	**81,703**	64,539
Assets held for sale	10	**34,133**	1,370
Total current assets		**251,864**	181,521
Non-current assets			
Inventories	9	**-**	120
Investment properties	11	**3,153**	37,177
Property, plant and equipment	12	**139,543**	118,602
Intangible assets	13	**78,194**	80,491
Investments accounted for using the equity method	14	**2,323**	2,217
Available-for-sale financial asset	15	**-**	1,084
Deferred tax asset	16	**1,476**	1,879
Total non-current assets		**224,689**	241,570
Total assets		**476,553**	423,091
Current liabilities			
Payables	17	**158,725**	129,417
Provisions	18	**12,766**	13,134
Tax liability	16	**7,148**	4,233
Total current liabilities		**178,639**	146,784
Non-current liabilities			
Borrowings	19	**67,693**	55,584
Provisions	18	**387**	949
Total non current liabilities		**68,080**	56,533
Total liabilities		**246,719**	203,317
Net assets		**229,834**	219,774
Equity			
Share capital	20	**214,445**	214,445
Reserves	21	**853**	375
Retained earnings	21	**14,536**	4,954
Total equity		**229,834**	219,774

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 2015

	Share Capital $'000	Share-based Payment Reserve $'000	Retained Earnings $'000	Total $'000
Balance at 1 July 2014	**214,445**	**375**	**4,954**	**219,774**
Profit for the year	-	-	21,171	21,171
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	**21,171**	**21,171**
Transactions with owners recorded directly in equity				
Dividends paid	-	-	(10,774)	(10,774)
Share-based payment transactions	-	478	(815)	(337)
Total transactions with owners recorded directly in equity	-	**478**	**(11,589)**	**(11,111)**
Balance at 30 June 2015	**214,445**	**853**	**14,536**	**229,834**

	Share Capital $'000	Share-based Payment Reserve $'000	Retained Earnings $'000	Total $'000
Balance at 1 July 2013	**214,445**	**1,487**	**(8,379)**	**207,553**
Profit for the year	-	-	17,613	17,613
Other comprehensive income				
Actuarial gain on defined benefit superannuation, net of tax	-	-	123	123
Total other comprehensive income for the year	-	-	**123**	**123**
Total comprehensive income for the year	-	-	**17,736**	**17,736**
Transactions with owners recorded directly in equity				
Dividends paid	-	-	(4,617)	(4,617)
Share-based payment transactions	-	(1,112)	214	(898)
Total transactions with owners recorded directly in equity	-	**(1,112)**	**(4,403)**	**(5,515)**
Balance at 30 June 2014	**214,445**	**375**	**4,954**	**219,774**

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 $'000	2014 $'000
Cash flows from operating activities			
Receipts from customers		**962,930**	945,171
Payments to suppliers and employees		**(907,459)**	(913,416)
Interest received		**272**	230
Other income received		**3,118**	2,804
Interest and other costs of finance paid		**(5,209)**	(5,045)
Income tax net refund/(payment)		**(6,593)**	1,605
Net cash inflow from operating activities	7	**47,059**	31,349
Cash flows from investing activities			
Payments for property, plant and equipment		**(33,827)**	(13,717)
Payments for intangibles		**(446)**	(5,205)
Proceeds from sale of non-current assets		**3,472**	1,421
Acquisition of business operations		**-**	(350)
Acquisition of available-for-sale financial asset	15	**-**	(1,084)
Net cash (outflow) from investing activities		**(30,801)**	(18,935)
Cash flows from financing activities			
Share-based payment transactions		**(1,970)**	(3,264)
Draw-down of borrowings		**12,109**	20,813
Dividends paid	2	**(10,647)**	(4,572)
Capital return		**-**	(23,086)
Net cash (outflow) from financing activities		**(508)**	(10,109)
Net increase in cash held		**15,750**	2,305
Cash at the beginning of the financial year		**19,241**	16,936
Cash at the end of the financial year	7	**34,991**	19,241

There were no non-cash financing and investing activities during the years ended 30 June 2015 and 30 June 2014.

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

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TO AND FORMING PART OF THE FINANCIAL REPORT

Note 1 – Earnings per share

	2015 Cents	2014 Cents
Basic earnings per share	**6.9**	5.7
Diluted earnings per share	**6.9**	5.7

	2015 Earnings Per Share		2014 Earnings Per Share	
	Basic $'000	**Diluted $'000**	Basic $'000	Diluted $'000
Earnings used in calculating earnings per share:				
Profit after income tax	**21,171**	**21,171**	17,613	17,613

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 5,100,000 (2014: 4,007,524) performance rights outstanding that have been excluded from the determination of diluted earnings per share calculation as the Group purchases shares on-market to satisfy vesting performance rights. Details relating to the performance rights are set out in note 26.

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 on issue 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.

Note 2 – Dividends

Dividends paid during the year		Dividend Paid	Per Share	2015 $'000	2014 $'000
Year ended 30 June 2015					
Interim dividend in respect of the current financial year	Fully franked	30 April 2015	1.5 cents	**4,618**	-
Final dividend in respect of the prior financial year	Fully franked	31 October 2014	2.0 cents	**6,156**	-
				10,774	-
Year ended 30 June 2014					
Interim dividend in respect of the current financial year	50% franked	30 April 2014	1.5 cents	-	4,617
Paid in cash				**10,647**	4,572
Non-cash dividends paid on employee in-substance options				**127**	45
				10,774	4,617
Since the end of the financial year, the Directors declared the following dividend:					
2015 final dividend of 2 cents per share, fully franked, payable on 30 October 2015				**6,156**	-
Dividend franking account					
Amount of franking credits available at 30 June to shareholders of Ridley Corporation Limited for subsequent financial years				**2,132**	156

Note 3 – Operating segments

The Group determines and presents operating segments based on information that internally is provided to and used by 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. The financial results of each operating segment are regularly reviewed by the Group's Managing Director in order 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.

The Group has two reportable segments, as described below, which are the Group's strategic business units until such time as all surplus property assets have been realised, whereupon the Property segment will cease to exist. The operating segments identified by management are consistent with the manner in which products are sold or how future economic benefits will be realised.

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

AgriProducts Australia's leading supplier of premium quality, high performance animal nutrition solutions.

Property Realisation of opportunities in respect of surplus property assets and sales of residual property site assets.

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

Note 3 – Operating segments continued

Geographical segments

The Group predominantly operates in Australasia.

2015 financial year	AgriProducts $'000	Property $'000	Unallocated $'000	Consolidated Total $'000
Sales – external (note 4)	909,850	-	-	909,850
Total sales revenue	**909,850**	**-**	**-**	**909,850**
Other revenue (note 4)	970	824	2,855	4,649
Total revenue	**910,820**	**824**	**2,855**	**914,499**
Share of profits of equity accounted investments (note 14)	106	-	-	106
Depreciation and amortisation expense (note 5)	(14,406)	(14)	(500)	(14,920)
Impairment of available-for-sale financial asset – Bluewave	(1,084)	-	-	(1,084)
Impairment of asset held for sale – Dry Creek	-	(1,396)	-	(1,396)
Interest income	-	-	272	272
Finance costs (note 5)	-	-	(5,331)	(5,331)
Reportable segment profit/(loss) before income tax	**50,371**	**(7,503)**	**(11,786)**	**31,082**
Segment assets	399,036	36,957	38,237	474,230
Investments accounted for using the equity method	2,323	-	-	2,323
Total segment assets	401,359	36,957	38,237	476,553
Segment liabilities	168,653	385	77,681	246,719
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets (excluding the impact of business combinations)	34,273	-	-	34,273
2014 financial year				
Sales – external (note 4)	873,625	-	-	873,625
Total sales revenue	**873,625**	**-**	**-**	**873,625**
Other revenue (note 4)	664	3,439	1,869	5,972
Total revenue	874,289	3,439	1,869	879,597
Share of profits of equity accounted investments (note 14)	23	-	-	23
Depreciation and amortisation expense (note 5)	(13,297)	(21)	(258)	(13,576)
Write off of Penrice debt	-	-	(971)	(971)
Interest income	-	-	230	230
Finance costs (note 5)	-	-	(5,622)	(5,622)
Reportable segment profit/(loss) before income tax	**40,086**	**(2,633)**	**(15,410)**	**22,043**
Segment assets	352,362	41,101	27,411	420,874
Investments accounted for using the equity method	2,217	-	-	2,217
Total segment assets	354,579	41,101	27,411	423,091
Segment liabilities	133,049	3,814	66,454	203,317
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets (excluding the impact of business combinations)	18,193	-	729	18,922

Note 4 – Revenue and other income

	2015 $'000	2014 $'000
Revenue from continuing operations		
Sale of goods	**909,850**	873,625
Other income from continuing operations		
Foreign exchange gains – net	**1,531**	-
Business services	**911**	1,456
Profit from sales of residual property site assets	**824**	764
Rent received	**724**	19
Insurance proceeds	**-**	361
Profit on sale of land	**-**	2,675
Other	**659**	697
	4,649	5,972

Note 5 – Expenses

Profit from continuing operations before income tax is arrived at after charging the following items:

	2015 $'000	2014 $'000
Depreciation and amortisation(i)		
Buildings	**1,097**	981
Plant and equipment	**10,823**	9,939
Software	**1,839**	1,736
Intangible assets	**1,161**	920
	14,920	13,576

(i) The depreciation and amortisation charge is included within General and Administrative expenses in the Consolidated Statement of Comprehensive Income.

	2015 $'000	2014 $'000
Finance costs		
Interest expense	**5,212**	5,296
Amortisation of borrowing costs	**119**	326
	5,331	5,622

Finance costs include interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs are expensed as incurred unless they relate to qualifying assets, being assets that 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.

Note 5 – Expenses continued

	Note	2015 $'000	2014 $'000
Employee benefits expense		**75,743**	68,611
Operating lease expense [(a)]		**3,343**	3,484
Bad and doubtful debt expense – net of recoveries		**7**	211
Write off of Penrice debt		**-**	971
Business restructuring			
Impairment of available-for-sale financial asset – Bluewave	15	**1,084**	-
Impairment of asset held for sale – Dry Creek	11	**1,396**	-
Acquisition related costs		**-**	466

(a) A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits of 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 Consolidated Statement of Comprehensive Income on a straight line basis over the period of the lease.

Note 6 – Income tax expense

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 by unused tax losses.

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 party to 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 tax payment obligations. At balance date the possibility of default is considered to be remote.

	2015 $'000	2014 $'000
(a) Income tax expense		
Current tax	**9,246**	4,060
Deferred tax	**403**	1,402
Under/(over) provided in prior years	**262**	(1,032)
Aggregate income tax expense	**9,911**	4,430
Income tax expense is attributable to:		
Profit from continuing operations	**9,911**	4,430
(b) Reconciliation of income tax expense and pre-tax accounting profit		
Profit from continuing operations before income tax expense	**31,082**	22,043
Income tax using the Group's tax rate of 30%	**9,325**	6,613
Tax effect of amounts that are not deductible/(taxable) in calculating taxable income:		
Share-based payments	**23**	16
Non-deductible expenses	**390**	362
Under/(over) provision in prior year	**262**	(1,032)
Research and development allowance	**(850)**	(920)
Impairment of Bluewave and Dry Creek (notes 15 and 11 respectively)	**744**	-
Non-deductible transaction costs	**-**	133
Other	**17**	(742)
Income tax expense	**9,911**	4,430
(c) Income tax recognised directly in equity		
Aggregate current and deferred tax arising in the period and not recognised in net comprehensive income but directly debited or (credited) to equity	**-**	-

Note 7 – Cash and cash equivalents

Cash and cash equivalents comprise cash balances in Australian dollars and foreign currencies.

	2015 $'000	2014 $'000
Cash at bank	**34,991**	19,241

Reconciliation of net cash inflow from operating activities to profit after income tax

	2015	2014
Net profit after tax for the year	**21,171**	17,613
Adjustments for non-cash items:		
Depreciation and amortisation	**14,920**	13,576
Impairment of Bluewave and Dry Creek	**2,480**	-
Impairment of inventory and property, plant and equipment	**-**	132
Net loss on sale of non-current assets	**-**	473
Share of profit from equity accounted investment	**(106)**	-
Non-cash share-based payments	**1,430**	1,851
Non-cash finance expenses	**119**	326
Bad debts expense	**(12)**	1,305
Foreign exchange (gains)/losses	**(1,531)**	347
Other non-cash movements	**(592)**	(118)
Change in operating assets and liabilities, net of effects from purchase and sale of controlled entities and businesses:		
Decrease/(increase) in receivables	**(4,666)**	(1,796)
Decrease/(increase) in inventories	**(17,044)**	(3,887)
Increase/(decrease) in trade creditors	**29,308**	(71)
Increase/(decrease) in provisions	**(930)**	(1,536)
Increase/(decrease) in net income tax liability	**2,915**	4,536
Increase/(decrease) in deferred income tax	**(403)**	(1,402)
Net cash inflow from operating activities	**47,059**	31,349

Note 8 – Receivables

Current	2015 $'000	2014 $'000
Trade debtors	**99,245**	89,018
Less: Allowance for doubtful debts(a)	**(32)**	(51)
	99,213	88,967
Prepayments	**1,824**	2,002
Insurance income receivable	**-**	2,679
Sale of land receivable	**-**	2,723
	101,037	96,371

Note 8 – Receivables continued

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less allowance for doubtful debts. Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off.

The allowance for doubtful debts is established when there is objective evidence that the Group may not be able to collect all amounts owing in accordance with the original terms of the receivable and where suitable insurance arrangements or collateral do not cover any uncollected amounts. In determining the recoverability of the receivables, the Group considers any material changes in the credit quality of the receivable on an ongoing basis. The allowance for doubtful debts and the receivables written off are included in 'general and administrative' expense in the Consolidated Statement of Comprehensive Income.

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. 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 Consolidated Statement of Comprehensive Income.

	2015 $'000	2014 $'000
(a) Movement in the allowance for doubtful debts:		
Balance brought forward at 1 July	51	25
Provision for impairment movement during the year	(12)	1,208
Receivables written off during the year	(7)	(211)
Penrice debt written off during the year	-	(971)
Balance carried forward at 30 June	32	51

As at 30 June 2015, the nominal value of trade receivables impaired is $482,000 (2014: $121,000). There is considered to be adequate provision against the balance of 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 2015, trade receivables of $3,950,000 (2014: $7,996,000) were past due but not impaired. These receivables relate to a number of independent customers for whom there is no recent history of default.

	2015 $'000	2014 $'000
The ageing analysis of these trade receivables is shown as follows:		
Past due by 0–30 days	3,223	6,227
Past due by 30–60 days	392	591
Past due by 60–90 days	68	422
Past due by greater than 90 days	267	756
	3,950	7,996

Note 9 – Inventories

Current	2015 $'000	2014 $'000
Raw materials and stores – at cost	42,660	40,975
– at net realisable value	1,170	210
Finished goods – at cost	37,873	23,354
	81,703	64,539

Non-current		
Raw materials and stores – at net realisable value	-	120

Write-downs of inventories to net realisable value of $0.3 million (2014: $nil) has been recognised as an expense during the year.

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 that 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.

Note 10 – Assets held for sale

Assets 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. Assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

	2015 $'000	2014 $'000
Assets held for sale	**34,133**	1,370

At 30 June 2015

The Group has classified $33,463,000 of assets as being held for sale that relate to the Dry Creek site. The fair value for the Dry Creek site has been reassessed through the conduct of a competitive tender sale process, currently in the negotiation and due diligence phase to develop a commercial solution for the entire Dry Creek site.

The Group has also classified $670,000 of assets as being held for sale that relate to the proposed sale of the Ridley AgriProducts site at Dandenong. In April 2015, a contract for the sale of Dandenong was executed for $3.0 million. The settlement is expected to be completed on 30 November 2015.

At 30 June 2014

The Group classified $1,370,000 of assets as being held for sale that related to the proposed sale of the Ridley AgriProducts sites at Dalby and Dandenong. This disclosure followed management's commitment to sell these sites. The feedmill at Dalby in Queensland was closed during FY14 and the majority of the stockfeed volume transferred to the neighbouring Ridley feedmill at Toowoomba. Agreement to sell the site was reached in early June 2014 subject to the purchaser receiving financier approval. The purchaser received such approval to satisfy the condition precedent to completion, which occurred on 11 August 2014.

Note 11 – Investment properties

Investment property is property held either to earn rental income, for capital appreciation, or for both, but not for sale in the ordinary course of business, for 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. Any gain or loss on disposal and impairments of an investment property are recognised in the Consolidated Statement of Comprehensive Income.

Depreciation is calculated using the straight line method to allocate deemed cost, net of residual values, over the estimated useful lives of the assets, and for buildings over a 40-year period.

	2015 $'000	2014 $'000
Movement in investment properties		
Carrying amount at cost at 1 July	**37,177**	38,451
Additions – provision for remediation of Dry Creek site	**849**	-
Impairment of Dry Creek assets	**(1,396)**	-
Transfer of Dry Creek to assets held for sale	**(33,463)**	-
Depreciation expense	**(14)**	(21)
Disposal of Bowen investment property	**-**	(1,253)
Carrying amount at cost at 30 June	**3,153**	37,177

Note 11 – Investment properties continued

Investment properties comprise former salt field sites at Lara and Moolap that have ceased operating and are held for the purpose of property realisation. The former salt field site at Bowen was sold on 13 May 2014. The Dry Creek site was transferred to assets held for sale in FY15.

The fair value for the Dry Creek site has been established through the conduct of a competitive tender sale process, which is currently in the negotiation and due diligence phase to develop a commercial solution for the entire Dry Creek site. After taking into account the net present value of the expected purchase consideration and after reversing against the carrying value of the asset the full amount of the provision for remediation that is no longer expected to be the responsibility of the Ridley consolidated group, an impairment of the Dry Creek investment property of $1,396,000 has been included in the Consolidated Statement of Comprehensive Income.

A fair value range for the sites at Lara and Moolap 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. Consequently, the value of these sites has been recorded at cost less impairment.

	2015 $'000	2014 $'000
Amounts recognised in profit and loss for investment properties:		
Direct operating expenses that did not generate rental income	**6,980**	5,723
Contractual obligations for Dry Creek site remediation (note 18)	-	2,123

Note 12 – Property, plant and equipment

	Land and Buildings $'000	Plant and Equipment $'000	Total $'000
2015			
Cost at 1 July 2014	**46,274**	**180,887**	**227,161**
Accumulated depreciation	**(4,027)**	**(104,532)**	**(108,559)**
Carrying amount at 1 July 2014	**42,247**	**76,355**	**118,602**
Additions	7,950	25,877	33,827
Disposals	(144)	(326)	(470)
Transfers to intangible assets	-	(496)	(496)
Transfers from plant under construction	3,871	(3,871)	-
Depreciation	(1,097)	(10,823)	(11,920)
Carrying amount at 30 June 2015	**52,827**	**86,716**	**139,543**
At 30 June 2015			
Cost	**57,815**	**202,071**	**259,886**
Accumulated depreciation	**(4,988)**	**(115,355)**	**(120,343)**
Carrying amount at 30 June 2015	**52,827**	**86,716**	**139,543**
2014			
Cost at 1 July 2013	**46,014**	**169,704**	**215,718**
Accumulated depreciation	**(3,046)**	**(94,593)**	**(97,639)**
Carrying amount at 1 July 2013	**42,968**	**75,111**	**118,079**
Additions	541	13,176	13,717
Impairment	(132)	-	(132)
Disposals	-	(1,442)	(1,442)
Transfers to assets held for sale	(700)	-	(700)
Transfers from plant under construction	551	(551)	-
Depreciation	(981)	(9,939)	(10,920)
Carrying amount at 30 June 2014	**42,247**	**76,355**	**118,602**

Property, plant and equipment

Land and buildings, plant and equipment are stated at cost, or deemed cost, less accumulated depreciation and impairment. 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 Consolidated Statement of Comprehensive Income during the financial period in which they are incurred.

Land is 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 amounts and are included in the Consolidated Statement of Comprehensive Income.

Government grants

Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

The value of Government grants relating to the purchase of property, plant and equipment is deducted from the carrying amount of the asset. The grant is recognised in comprehensive income over the life of the depreciable asset as a reduced depreciation expense.

Note 13 – Intangible assets

	Software $'000	Goodwill $'000	Contracts $'000	Licence $'000	Total $'000
2015					
Carrying amount at 1 July 2014	6,927	68,950	4,161	453	80,491
Transfer from property, plant and equipment/additions	496	-	-	446	942
Amortisation charge	(1,839)	-	(1,161)	-	(3,000)
Disposals	(239)	-	-	-	(239)
Carrying amount at 30 June 2015	5,345	68,950	3,000	899	78,194
At 30 June 2015					
Cost	18,898	69,903	5,350	899	95,050
Accumulated amortisation/ impairment losses	(13,553)	(953)	(2,350)	-	(16,856)
Carrying amount at 30 June 2015	5,345	68,950	3,000	899	78,194

The amortisation charge is included within general and administrative expenses in the Consolidated Statement of Comprehensive Income.

Note 13 – Intangible assets continued

	Software $'000	Goodwill $'000	Contracts $'000	Licence $'000	Total $'000
2014					
Carrying amount at 1 July 2013	8,448	68,950	581	-	77,979
Additions	252	-	4,500	453	5,205
Amortisation charge	(1,736)	-	(920)	-	(2,656)
Disposals	(37)	-	-	-	(37)
Carrying amount at 30 June 2014	6,927	68,950	4,161	453	80,491
At 30 June 2014					
Cost	18,641	69,903	5,350	453	94,347
Accumulated amortisation/ impairment losses	(11,714)	(953)	(1,189)	-	(13,856)
Carrying amount at 30 June 2014	6,927	68,950	4,161	453	80,491

Intangible assets

(i) Software

Software has a finite useful life and is carried at cost less accumulated amortisation and impairment 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.

(ii) 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. Goodwill 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 (CGUs) for the purpose of impairment testing.

(iii) Contracts and licence

The contracts and licence intangible assets represents acquired contractual legal rights that have finite useful lives and that are amortised over periods of between five and 20 years, according to 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.

Research and development expenditure

Research and development expenses of $5,500,000 have been incurred in the current year (2014: $5,893,000), which are included in administration costs in the Consolidated Statement of Comprehensive Income.

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the Consolidated Statement of Comprehensive Income 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, 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 either Intangibles or Property, plant and equipment.

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 the carrying amount may no longer 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 have previously suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairments during the year

There were no impairments of intangible assets during the year.

Impairment testing for goodwill

$56.6 million of goodwill has been recognised in the Rendering CGU, whilst the balance has been accumulated from a combination of other CGUs over many years as summarised below:

	2015 $'000	2014 $'000
Rendering	**56,616**	56,616
AgriProducts	**12,334**	12,334
Total	**68,950**	68,950

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. These assumptions have been used for the analysis of goodwill in each CGU.

(i) Cash flow forecasts are based on the Board approved FY16 budget, projected for four years plus a terminal value.

(ii) Forecast growth rates are based on management's expectations of future performances. The growth rate represents a steady indexation rate that does not exceed the Group's expectations of the long term average growth rate for the business in which each CGU operates. The growth rates applied to cash flows beyond one year were 2% (2014: 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 10.2% (2014: 10.2%).

A sensitivity analysis was undertaken to examine the effect of a change in each key variable on each CGU. For all CGUs, a reasonably possible change in these inputs would not cause the recoverable amount to be materially below the carrying amount.

Note 14 – Investments accounted for using the equity method

Name of Company	Principal Activity	Country of Incorporation	Ownership Interest 2015 %	Ownership Interest 2014 %	Carrying Amount 2015 $'000	Carrying Amount 2014 $'000
Associate:						
Consolidated Manufacturing Enterprise Pty Ltd and Swanbrook Road Holding Trust	Feed production	Australia	**25**	25	**2,323**	2,217
Joint venture entities:						
Ridley Bluewave Pty Ltd[1]	Animal protein production	Australia	**50**	50	-	-
Nelson Landholdings Pty Ltd as Trustee for Nelson Landholdings Trust[2]	Property realisation	Australia	**50**	50	-	-
Investments accounted for using the equity method					**2,323**	2,217

1. Ridley Bluewave Pty Ltd did not conduct any activity during the financial year (note 15).
2. The Company and Unit trust are the corporate structure through which any ultimate development of the Moolap site will be managed. There are a number of restrictions for this entity to protect the interests of each party (being Ridley and development partner Sanctuary Living), which cause the entity to be reported as a joint venture rather than controlled entity. Despite this classification for reporting purposes, Ridley retains full control of the value and use of the land at Moolap until such time as Ridley resolves to commit the land to the project.

Investments in associates and joint venture 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 common balance date of the associate and joint venture entities is 30 June.

	2015 $'000	2014 $'000
Carrying amount of investments accounted for using the equity method		
Opening carrying amount at 1 July	**2,217**	2,194
Share of operating profits after income tax	**106**	23
Closing carrying amount at 30 June	**2,323**	2,217

Summarised financial information of equity accounted investees, not adjusted for the percentage ownership held by the Group, is provided following.

	2015 $'000	2014 $'000
Current assets	**3,960**	1,762
Non-current assets	**3,155**	3,006
Total assets	**7,115**	4,768
Current liabilities	**2,665**	1,416
Non-current liabilities	**212**	-
Total liabilities	**2,877**	1,416
Net assets	**4,238**	3,352
Revenue	**15,594**	11,367
Net profit after tax	**475**	68

There are no material reserves or contingent liabilities of the equity accounted investees.

Note 15 – Available-for-sale financial asset

Non-current	2015 $'000	2014 $'000
Unlisted equity security	-	1,084

The unlisted equity security is not traded in active markets and was initially recorded at a fair value of US$1 million. This asset represents shares in Bluewave Management Inc., an entity incorporated in Panama with several overseas high protein concentrate plants. The investment formed part of an arrangement whereby Ridley secured exclusive rights in Australasia and selected territories in the Pacific Islands to access technology that utilises a membrane system to produce high value fish protein materials for animal feedstock diets and with the potential for use in higher value applications. There is no Ridley Board representation or other influence on Bluewave Management Inc.

With the product trials in feedstock applications still in progress, and with definitive supply agreements to source raw materials and any project proposals yet to be developed, during the year ending 30 June 2015, an impairment loss of $1,084,000 has been included in the Consolidated Statement of Comprehensive Income.

The available-for-sale financial asset comprises an investment in an unlisted equity security. This type of asset is a non-derivative that is either designated in this category or not classified in any of the other categories. The asset is classified as a non-current asset unless the investment matures or management intends to dispose of the investment within 12 months of the end of the reporting period. Investments are designated as available for sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Investments in equity instruments are recognised initially at fair value. After initial recognition, the investment in equity instrument does not have a quoted market price in an active market whose fair value can be reliably measured. As the probability of various estimates cannot be reasonably assessed, the Group is precluded from measuring the instrument at fair value.

Note 16 – Tax assets and liabilities

Current	2015 $'000	2014 $'000
Tax liability	7,148	4,233
Non-current		
Deferred tax asset	1,476	1,879
Movement in deferred tax asset/(liability):		
Opening balance at 1 July	1,879	3,281
Credited/(charged) to the Statement of Comprehensive Income (note 6)	(403)	(1,402)
Closing balance at 30 June	1,476	1,879

Recognised deferred tax assets and liabilities

	Assets		Liabilities		Net	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Consolidated						
Intangibles	-	-	(1,917)	(1,998)	(1,917)	(1,998)
Doubtful debts	10	15	-	-	10	15
Property, plant and equipment	3,355	4,880	(6,439)	(7,979)	(3,084)	(3,099)
Employee entitlements	5,152	4,515	-	-	5,152	4,515
Provisions	291	730	-	-	291	730
Other	1,024	1,716	-	-	1,024	1,716
Tax assets/(liabilities)	9,832	11,856	(8,356)	(9,977)	1,476	1,879

Note 16 – Tax assets and liabilities continued

Movement in net deferred tax assets and liabilities

	Balance 1 July 2013 $'000	Recognised in profit or loss $'000	**Balance 30 June 2014 $'000**	Recognised in profit or loss $'000	**Balance 30 June 2015 $'000**
Consolidated					
Intangibles	(2,794)	796	**(1,998)**	81	**(1,917)**
Doubtful debts	7	8	**15**	(5)	**10**
Property, plant and equipment	34	(3,133)	**(3,099)**	15	**(3,084)**
Employee entitlements	4,088	427	**4,515**	637	**5,152**
Provisions	30	700	**730**	(439)	**291**
Other	1,916	(200)	**1,716**	(692)	**1,024**
Tax asset/(liability)	3,281	(1,402)	**1,879**	(403)	**1,476**

Income tax

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 that 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 comprehensive income.

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.

Note 17 – Payables

	2015 $'000	2014 $'000
Current		
Trade creditors and accruals	**158,725**	125,921
Other creditors	**-**	3,496
	158,725	129,417

Trade payable facility

The Group has a trade payable facility that is an unsecured funding arrangement for the purposes of funding trade related payments associated with the purchase of various raw materials from approved suppliers. Trade bills of exchange are paid by the facility direct to the importer and the Group pays the facility on 180-day terms within an overall facility limit of $50,000,000 (2014:$50,000,000). The amount utilised and recorded within trade creditors at 30 June 2015 was $41,900,457 (2014: $20,443,402).

Note 18 – Provisions

	2015 $'000	2014 $'000
Current		
Employee entitlements	**12,766**	11,011
Provision for remediation	-	2,123
	12,766	13,134
Non-current		
Employee entitlements	**387**	949

Movement in provisions:	Remediation
Opening balance at 1 July 2014	2,123
Provision utilisation in FY15	(2,972)
Reversal of provision for remediation of Dry Creek site	849
Closing balance at 30 June 2015	-

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.

(i) Provision for employee entitlements

Current liabilities for wages and salaries, including non-monetary benefits, short term incentive payments, annual leave, accumulating sick leave and long service 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. Employee benefit on-costs, including payroll tax, are recognised and included in both employee benefit liabilities and costs.

The non-current liability for long service leave expected to be settled more than 12 months from the reporting date is 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 timing of estimated future cash outflows.

(ii) Provision for remediation

As detailed in note 11, during the 2015 financial year a competitive tender sale process has been conducted for Dry Creek, which is currently in the negotiation and due diligence phase to develop a commercial solution for the entire Dry Creek site. The expected sale outcome will transfer responsibility for the entire Dry Creek site to a third party purchaser and will extinguish Ridley's liability to remediate the site. Consequently, the residual balance of the remediation provision at year end has been reversed in full against the carrying value of the Dry Creek assets at 30 June 2015.

Provision is made for remediation of site closure, restoration and environmental costs when the obligation is known and can be reliably measured. The ultimate cost of remediation is uncertain and management uses its judgement and experience to provide for these costs at balance date. Cost estimates can vary in response to many factors. The expected timing of expenditure included in cost estimates can also change, for example as additional or better information becomes available as to the extent of any site remediation required. As a result, there could be significant adjustments to the provision for remediation that would affect future financial results. 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 that are expected to arise from future disturbance. The costs are estimated on the basis of an approved 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 all 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.

Note 19 – Borrowings

	2015 $'000	2014 $'000
Borrowings – Non-current		
Bank loans	**67,693**	55,584

The bank loans are subject to bank covenants based on financial ratios of the Group. As at 30 June 2015, and throughout all relevant times during the financial year ended 30 June 2015, the Group was in compliance with these covenants. The bank loans are unsecured.

Total loan facilities available to the Group in Australian dollars

	2015		2014	
	Limits $'000	**Utilised $'000**	Limits $'000	Utilised $'000
Loan facility (a)	**100,000**	**68,000**	100,000	56,000
Cash	**-**	**(34,991)**	-	(19,241)
	100,000	**33,009**	100,000	36,759

(a) Long term loan facility

On 24 December 2013, a Second Amendment Deed to the original 28 December 2010 dual bank facility was executed for a facility limit of $100 million and with a maturity date extended from 29 December 2014 to 31 January 2019. The borrowing facility comprises unsecured bank loans with floating interest rates subject to negative pledge arrangements that require the Group to comply with certain minimum financial requirements. The key covenant ratios under the facility remain interest cover, debt cover, gearing and consolidated net worth. The Group is in compliance with all facility covenants.

Offsetting of financial instruments

The Group does not set off financial assets with financial liabilities in the consolidated financial statements. Under the terms of the loan facility agreement, if the Group does not pay an amount when due and payable, the bank may apply any credit balance in any currency in any account that the Group has with the bank, in or towards satisfaction of that amount.

As at 30 June 2015, the value of legally enforceable cash balances that upon default or bankruptcy would be applied to the loan facility is $34,991,000 (2014: $17,809,000).

Note 20 – Share capital

	Parent Entity	
	2015 $'000	2014 $'000
Fully paid up capital: 307,817,071 ordinary shares with no par value (2014: 307,817,071)	**214,445**	214,445

(a) Movements in ordinary share capital

There were no movements in issued capital or number of shares on issue in either of the 2014 and 2015 financial years.

(b) Ordinary shares

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.

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 shareholders' meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote.

(c) 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:

	2015 $'000	2014 $'000
Gross debt	**67,693**	55,584
Less: cash	**(34,991)**	(19,241)
Net debt	**32,702**	36,343
Total equity	**229,834**	219,774
Gearing ratio	**14.2%**	16.5%

Note 21 – Reserves and retained earnings

(a) Reserves

	2015 $'000	2014 $'000
Share-based payments reserve		
Opening balance at 1 July	**375**	1,487
Options and performance rights expense	**1,430**	1,851
Share-based payment transactions	**(1,767)**	(2,749)
Retained earnings transfer	**815**	(214)
Closing balance at 30 June	**853**	375

The share-based payments reserve is used to recognise the fair value of performance rights and options issued to employees in relation to equity settled share-based payments.

(b) Retained earnings

Opening balance at 1 July	**4,954**	(8,379)
Net profit for the year	**21,171**	17,613
Dividends paid	**(10,774)**	(4,617)
Share-based payments reserve transfer	**(815)**	214
Actuarial profits on defined benefit superannuation – net of tax	**-**	123
Closing balance at 30 June	**14,536**	4,954

Note 22 – 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 2015	2014
Ridley AgriProducts Pty Ltd and its controlled entity	Australia	Ordinary	**100%**	100%
CSF Proteins Pty Ltd	Australia	Ordinary	**100%**	100%
Barastoc Stockfeeds Pty Ltd	Australia	Ordinary	**100%**	100%
Diamond Salt Pty Limited[1]	Australia	Ordinary	-	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%
Ridley Dry Creek Pty Ltd	Australia	Ordinary	**100%**	100%
Moolap Land Development Corporation Pty Ltd	Australia	Ordinary	**100%**	100%

1. Non-trading company that was de-registered on 23 July 2014.

Note 23 – Parent entity

As at and throughout the financial year ending 30 June 2015, the parent company of the Group was Ridley Corporation Limited.

	2015 $'000	2014 $'000
Result of the parent entity		
Profit for the year	**33,534**	25,724
Comprehensive income for the year	-	123
Total comprehensive income for the year	**33,534**	25,847
Financial position of the parent entity at year end		
Current assets	**3,347**	6,064
Non-current assets	**298,695**	302,596
Total assets	**302,042**	308,660
Current liabilities	**11,284**	10,870
Non-current liabilities	**67,693**	55,734
Total liabilities	**78,977**	66,604
Net assets	**223,065**	242,056
Total equity of the parent entity comprising of:		
Share capital	**214,445**	214,445
Share-based payment reserve	**853**	375
Retained earnings	**7,767**	27,236
Total equity	**223,065**	242,056
GST liabilities of other entities within the GST group	**347**	515

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 the debts of certain of its subsidiaries that are party to the deed.

Further details of the Deed of Cross Guarantee and the subsidiaries subject to the deed, are disclosed in note 24.

Note 24 – 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 other entities.

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 but not wholly owned by Ridley Corporation Limited, they also represent the Extended Closed Group.

(a) Summarised Consolidated Statement of Comprehensive Income

	2015 $'000	2014 $'000
Profit before income tax	**31,082**	22,043
Income tax expense	**(9,911)**	(4,430)
Profit after income tax	**21,171**	17,613

(b) Summary of movements in retained profits

Opening balance at 1 July	**4,954**	(8,379)
Profit for the year	**21,171**	17,613
Share-based payment reserve transfer	**(815)**	214
Dividends paid	**(10,774)**	(4,617)
Actuarial gains on defined superannuation benefit – net of tax	-	123
Closing balance at 30 June	**14,536**	4,954

(c) Balance Sheet

Current assets		
Cash and cash equivalents	**34,991**	19,241
Receivables	**101,037**	96,371
Inventories	**81,703**	64,539
Assets held for sale	**34,133**	1,370
Total current assets	**251,864**	181,521
Non-current assets		
Investments accounted for using the equity method	**2,323**	2,217
Property, plant and equipment	**139,543**	118,602
Intangible assets	**78,194**	80,491
Deferred tax asset	**1,476**	1,879
Available-for-sale financial asset	-	1,084
Investment properties	-	34,012
Inventories	-	120
Total non-current assets	**221,536**	238,405
Total assets	**473,400**	419,926

Note 24 – Deed of Cross Guarantee continued

	2015 $'000	2014 $'000
Current liabilities		
Payables	**155,572**	126,252
Tax liabilities	**7,148**	4,233
Provisions	**12,766**	13,134
Total current liabilities	**175,486**	143,619
Non-current liabilities		
Borrowings	**67,693**	55,584
Provisions	**387**	949
Total non current liabilities	**68,080**	56,533
Total liabilities	**243,566**	200,152
Net assets	**229,834**	219,774
Equity		
Share capital	**214,445**	214,445
Reserves	**853**	375
Retained earnings	**14,536**	4,954
Total equity	**229,834**	219,774

Note 25 – Related party disclosures

Investments

Information relating to investments accounted for using the equity method is set out in note 14.

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 27.

Transactions with related parties

	2015 $'000	2014 $'000
Transactions with related parties were as follows:		
Sales of products – associate	**6,326**	1,940
Purchases of products – associate	**15,594**	12,022
Outstanding balances with related parties were as follows:		
Current payable – associates	**706**	299

Outstanding balances are unsecured and repayable in cash.

Key management personnel compensation

	2015 $	2014 $
Short term employee benefits	**4,760,295**	4,385,186
Post-employment benefits	**254,636**	265,970
Other benefits	**-**	10,000
Share-based payments	**422,897**	1,233,360
Total key management personnel compensation	**5,437,828**	5,894,516

Note 26 – Share-based payments

Share-based payment expense	2015 $'000	2014 $'000
Shares issued under the employee share scheme	**508**	448
Performance rights issued under long term incentive and special retention plans	**922**	1,403
Total share-based payment expense	**1,430**	1,851

Share-based payment arrangements

Ridley Corporation Long Term Incentive Plan

The purpose of the Ridley Corporation Long Term Incentive Plan (LTIP) is to provide long term rewards that are linked to shareholder returns. Under the LTIP, 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.

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 by an independent third party expert at grant date and recognised over the three-year vesting period during which the employees become unconditionally entitled to the performance rights.

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

(i) Current year issues under the Ridley Corporation Long Term Incentive Plan

The model inputs for the performance rights granted during the reporting period under the LTIP included:

Grant date	1 July 2014
Expiry date	30 June 2017
Share price at grant date	$0.90
Fair value at grant date	$0.58
Expected price volatility of the Company's shares	26%
Expected dividend yield	4.8%
Risk-free interest rate	2.7%

The expected share price volatility is based on the historic volatility (based on the remaining life of the performance rights), adjusted for any expected changes to future volatility due to publicly available information.

Note 26 – Share-based payments continued

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

2015

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						
5 December 2011	5 December 2014	1,532,524	-	(431,811)	(1,100,713)	-
1 July 2013	1 July 2016	2,475,000	-	(75,000)	-	2,400,000
1 July 2014	1 July 2017	-	2,700,000	-	-	2,700,000
		4,007,524	2,700,000	(506,811)	(1,100,713)	5,100,000

2014

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						
5 December 2010	5 December 2013	1,843,000	-	(635,443)	(1,207,557)	-
5 December 2011	5 December 2014	1,750,000	-	(32,017)	(185,459)	1,532,524
1 July 2013	1 July 2016	-	2,525,000	(50,000)	-	2,475,000
		3,593,000	2,525,000	(717,460)	(1,393,016)	4,007,524
Special Retention Plan[(a)]						
5 May 2012	5 May 2014	1,850,000	-	(25,000)	(1,825,000)	-
		5,443,000	2,525,000	(742,460)	(3,218,016)	4,007,524

(a) 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. The Special Retention Plan concluded on 5 May 2014.

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 as at the date of offer and at a discount of up to 50%. The maximum discount per employee is limited to $1,000 annually in accordance with relevant Australian taxation legislation. 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.

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. Dividends on the shares are allocated against the balance of any loan outstanding. 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.

The fair value at grant date of the options issued during the year through the Employee Share Scheme was measured based on the binomial option pricing model using the following inputs:

Grant date	15 May 2015
Restricted life	3 years
Fair value at grant date	$0.66
Expected price volatility of the Company's shares	23%
Expected dividend yield	3.5%
Risk-free interest rate	2.9%

Ridley Employee Share Scheme movements

2015 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	43,000	-	(6,000)	37,000	37,000
28 January 2003	28 January 2006	$0.74	81,000	-	(12,150)	68,850	68,850
5 April 2005	5 April 2008	$0.77	109,620	-	(11,745)	97,875	97,875
10 April 2006	10 April 2009	$0.66	133,408	-	(10,612)	122,796	122,796
13 April 2007	13 April 2010	$0.57	167,105	-	(19,349)	147,756	147,756
11 April 2008	11 April 2011	$0.56	216,953	-	(16,137)	200,816	200,816
3 April 2009	3 April 2012	$0.34	384,280	-	(38,428)	345,852	345,852
30 April 2010	30 April 2013	$0.61	306,064	-	(26,048)	280,016	280,016
30 April 2011	30 April 2014	$0.66	321,204	-	(25,636)	295,568	295,568
30 April 2012	30 April 2015	$0.61	377,112	-	(24,810)	352,302	352,302
26 April 2013	26 April 2016	$0.41	797,368	-	(24,310)	773,058	-
23 May 2014	23 May 2017	$0.48	931,410	-	(18,960)	912,450	-
31 May 2015	31 May 2018	$0.66	-	770,256	-	770,256	-
			3,868,524	770,256	(234,185)	4,404,595	1,948,831
Weighted average exercise price			$0.52	$0.66	$0.56	$0.54	$0.58

The 'Exercisable at end of the year' column in the above and following tables reflects the fact that the options outstanding have a weighted average contractual life of three years (2014: three years).

2014 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	49,000	-	(6,000)	43,000	43,000
28 January 2003	28 January 2006	$0.74	91,800	-	(10,800)	81,000	81,000
13 February 2004	13 February 2007	$0.63	122,045	-	(122,045)	-	-
5 April 2005	5 April 2008	$0.77	121,365	-	(11,745)	109,620	109,620
10 April 2006	10 April 2009	$0.66	144,020	-	(10,612)	133,408	133,408
13 April 2007	13 April 2010	$0.57	182,936	-	(15,831)	167,105	167,105
11 April 2008	11 April 2011	$0.56	236,676	-	(19,723)	216,953	216,953
3 April 2009	3 April 2012	$0.34	428,620	-	(44,340)	384,280	384,280
30 April 2010	30 April 2013	$0.61	350,020	-	(43,956)	306,064	306,064
30 April 2011	30 April 2014	$0.66	354,380	-	(33,176)	321,204	321,204
30 April 2012	30 April 2015	$0.61	406,884	-	(29,772)	377,112	-
26 April 2013	26 April 2016	$0.41	836,264	-	(38,896)	797,368	-
23 May 2014	23 May 2017	$0.48	-	933,780	(2,370)	931,410	-
			3,324,010	933,780	(389,266)	3,868,524	1,762,634
Weighted average exercise price			$0.58	$0.48	$0.58	$0.52	$0.58

Note 27 – Retirement benefit obligations

Superannuation

The Group sponsors the Ridley Superannuation Plan – Australia which is administered by Mercer. The fund provides available benefits on a 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 plan.

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

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 comprehensive income in the periods during which services are rendered by employees.

Benefits are based on an accumulation of defined contributions. The amount of contribution expense recognised in the Consolidated Statement of Comprehensive Income for the year is $4,935,000 (2014: $4,589,000).

Defined Benefit Plan

The Defined Benefit Plan was closed during the year ended 30 June 2014.

The 1 July 2013 opening net retirement obligation liability of $109,000, comprising present value of benefit obligations of $1,337,000 and fair values of benefit plan assets of $1,228,000, was settled by a return on benefit plan assets of $130,000 and employer and employee contributions of $27,000. After allowing for plan costs prior to closure, an actuarial gain of $123,000 was reported in the Consolidated Statement of Comprehensive Income and Consolidated Statement of Changes in Equity for FY14.

Note 28 – 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. Management evaluates and hedges financial risks where appropriate. The Board approves 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

(i) 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.

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 dollar, New Zealand dollar 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

The Group holds foreign currency bank accounts in US dollars, New Zealand dollars and Euros, which are translated into Australian dollar using spot rates. These foreign currency bank accounts, and at times forward foreign exchange contracts, are entered into for 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's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollars, was as follows:

		2015			2014	
$'000 Australian dollars	**USD**	**NZD**	**EUR**	USD	NZD	EUR
Gross debt						
Cash	**12,885**	**1,823**	**9,599**	7,310	669	399
Payables	**(68)**	**-**	**-**	(494)	-	-
Net balance sheet exposure	**12,817**	**1,823**	**9,599**	6,816	669	399

At 30 June 2015, the net fair value of forward exchange contracts resulting in a liability of nil (2014: nil) has been recognised by the Group for the fair value of forward foreign exchange contracts.

Foreign currency sensitivity

A change of a 10% strengthening or weakening in the closing exchange rate of the foreign currency bank balances at the reporting date for the financial year would have increased or decreased the Group's reported comprehensive income and the Group's equity by $2,201,000 (2014: $762,000). A sensitivity of 10% has been selected as this is considered reasonable taking into account the current level of exchange rates and the volatility observed both on a historical basis and on market expectations for future movements. The Directors cannot and do not seek to predict movements in exchange rates.

(ii) Cash flow and fair value interest rate risk

As the Group has no significant interest bearing assets, the Group's income and operating cash inflows 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 that 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 were incurring an average variable interest rate of 4.16% (2014: 4.87%).

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	**$'000 2015**	Interest Rate	$'000 2014
Variable rate instruments				
Cash	**-**	**34,991**	-	19,241
Bank loans	**4.16%**	**68,000**	4.87%	56,000

Interest rate sensitivity

A change of 100 basis points in interest rates at the reporting date annualised for the financial year would have increased or decreased the Group's reported comprehensive income and equity by $474,000 (2014: $389,000).

Note 28 – Financial risk management continued

(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 the risk 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 financial institutions with a high credit rating. 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:

	2015 $'000	2014 $'000
Trade receivables	**99,213**	88,967
Other receivables	**-**	2,679
Cash and cash equivalents	**34,991**	19,241
	134,204	110,887

Further credit risk disclosures on trade receivables are disclosed in note 8.

(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, and by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Details of finance facilities are set out in notes 17 and 19.

The following tables disclose the contractual maturities of financial liabilities, including estimated interest payments:

	Carrying Amount $'000	Less than 1 Year $'000	1 to 2 Years $'000	2 to 3 Years $'000	3 to 4 Years $'000	Total Contractual Cash Flows $'000
2015						
Non-derivative financial liabilities						
Trade and other payables	**158,725**	**158,725**	**-**	**-**	**-**	**158,725**
Bank loans	**67,693**	**5,334**	**5,334**	**5,334**	**73,027**	**89,029**
	226,418	**164,059**	**5,334**	**5,334**	**73,027**	**247,754**
2014						
Non-derivative financial liabilities						
Trade and other payables	129,417	129,417	-	-	-	129,417
Bank loans	55,584	2,575	2,575	2,575	58,159	65,884
	185,001	131,992	2,575	2,575	58,159	195,301

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

(d) Financial Instruments

(i) Non-derivative financial assets

The Group initially recognises loans, receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through comprehensive income) 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 when 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.

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.

(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 comprehensive income) 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, borrowings, 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 Consolidated Statement of Comprehensive Income.

(e) Fair values

Fair values versus carrying amounts

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

Note 29 – Commitments for expenditure

	2015 $'000	2014 $'000
During the year ending 30 June, the Group entered into contracts that are not yet settled to purchase plant and equipment for:	**10,639**	4,549
Total Group commitments for non-cancellable operating leases:		
Due within one year	**3,341**	3,564
Due within one to two years	**3,051**	2,854
Due within two to five years	**3,203**	3,946
Due after five years	**704**	1,477
	10,299	11,841

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

Note 30 – Contingent liabilities

Guarantees

The Group is, in the normal course of business, required to provide certain 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.

	2015 $'000	2014 $'000
Bank guarantees	**559**	567

Sale of Dry Creek

The Government of South Australia has verbally indicated an intent to establish a liability fund in connection with the surrender of the mining leases held by Ridley Dry Creek Pty at the site (with the intent that such liability fund will be used to remediate the site, as necessary, as a condition to the surrender of the relevant mining leases). No actual requirements, details or negotiations in respect of such a fund have been either communicated or held, however, it is envisaged that a definitive Dry Creek sale agreement will make it clear that Ridley Corporation Limited will be responsible for making such financial contribution to any such fund as may be required due to the period in which Ridley Dry Creek owned or operated the site.

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 do. 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 31 – Auditors' remuneration

	2015 $	2014 $
(a) Audit and review of financial reports		
Auditors of the Company		
KPMG Australia	**357,229**	383,308
(b) Other services		
Auditors of the Company		
KPMG Australia – in relation to other assurance, taxation and due diligence services	**331,410**	223,020
Total remuneration of auditors	**688,639**	606,328

Note 32 – Events occurring after the balance sheet date

No other matters or circumstances have arisen since 30 June 2015 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 year.

Note 33 – Corporate information and accounting policy summary

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 2015 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 is primarily involved in the manufacture of animal nutrition solutions.

The financial report was authorised for issue by the Directors on 20 August 2015.

The principal accounting policies adopted in the preparation of the financial report are set out in either the relevant note to the accounts or below. These policies have been consistently applied to all the years presented. 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).

Application of new and revised accounting standards and interpretations

The Group has adopted all of the new and revised standards and interpretations issued by the AASB that are relevant to its operations and effective for the current year. New and revised standards and amendments thereof, and interpretations effective for the current year that are relevant to the Group, include:

- AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments;
- AASB 2014-1 Amendments to Australian Accounting Standards.

The application of the new and revised standards has had no material impact on the disclosures or on the amounts recognised in the current or prior period, and are not likely to affect future periods.

The following standards, amendments and interpretations are effective for annual periods beginning after 1 July 2015 and have been identified as those that may impact the Group 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 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets and the new general hedge accounting requirements. The standard is not applicable until 1 January 2018 but is available for early adoption. The Group is yet to assess its full impact but considers it is not likely to have a material effect.
- **AASB 15 Revenue from Contracts with Customers.** The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The standard is not applicable until 1 January 2018. The Group is yet to assess its full impact but it is not likely to have a material effect.

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 comprehensive income; and
- cash settled share-based payment arrangements, which are measured at fair value.

Note 33 – Corporate information and accounting policy summary continued

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, or CGUs). Refer to note 13 for further details on impairment testing.

(ii) Investment properties

The Group measures investment properties at cost. A fair value range cannot be determined reliably given that the respective locations do not have local established industrial or residential infrastructure that 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. Where reliable estimates of fair value are obtainable, they are factored into the annual assessment of the property's carrying value. The valuation of investment properties requires judgement to be applied in selecting appropriate valuation techniques and setting valuation assumptions. The Group engages independent valuers to provide an indicative value for its material investment properties in the context of assessing for impairment. Refer to note 11 for further details on investment properties.

(iii) Provision for remediation

Provision is made for remediation of site closure, restoration and environmental costs when the obligation is known and can be reliably measured, based on the net present value of estimated future costs with an appropriate probability weighting of the different remediation, closure or other activities required to satisfy the closure obligations. The ultimate cost of remediation is uncertain and management uses its judgement and experience to provide for these costs at balance date. Cost estimates can vary in response to many factors including changes to the relevant legal or local/national Government ownership requirements, review of remediation and relinquishment options, timing of the expenditures and the effects of inflation. Refer to note 18 for further details on provisions.

The expected timing of expenditure included in cost estimates can also change, for example, as additional or better information becomes available as to the extent of any site remediation required. Cash flows extending beyond the next 12 months must be discounted if this has a material effect. The selection of appropriate sources on which to base the calculation of the risk-free discount rate used for such obligations also requires judgement. As a result of all of the above factors, there could be significant adjustments to the provision for remediation, which would affect future financial results. Increases and decreases in site holding obligations are charged directly to the Consolidated Statement of Comprehensive Income. Increases and decreases in remediation obligations are capitalised to investment property where applicable. The corresponding accounting entry for an increase in closure provision would be an increase in the carrying value of the relevant investment property, which might potentially impact any future impairment considerations.

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) Derivative financial instruments

The fair values of forward exchange contracts are 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.

(ii) 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.

Basis of consolidation – business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

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

Interests in equity-accounted investees

Associates are those entities where the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net amounts of the arrangement, rather than rights to its assets and obligations for liabilities. 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 Consolidated Statement of Comprehensive Income, 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.

Note 33 – Corporate information and accounting policy summary continued

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.

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 Consolidated Statement of Comprehensive Income.

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 53 to 90 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 2015 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 24 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 2015.

4. The financial statements also comply with International Financial Reporting Standards as disclosed in note 33.

This declaration is made in accordance with a resolution of the Directors.

GH Weiss
Director

TJ Hart
Director

Melbourne
20 August 2015

INDEPENDENT AUDITOR'S DECLARATION

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 2015, 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 33 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 33 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 2015 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 33.

Report on the remuneration report

We have audited the Remuneration Report included in pages 43 to 51 of the directors' report for the year ended 30 June 2015. 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 2015 complies with Section 300A of the *Corporations Act 2001*.

KPMG

KPMG

BW Szentirmay
Partner

Melbourne
20 August 2015

SHAREHOLDER INFORMATION
AS AT 20 AUGUST 2015

	Number of Holders	Number of Securities	% Held by 20 Largest Holders
Holdings of securities – ordinary shares			
Each fully paid	7,492	307,817,071	72.47

Number Held	Number of Ordinary Holders	Number of Ordinary Shares
Distribution of holdings – ordinary shares		
1 to 1,000*	1,297	587,059
1,001 to 5,000	2,711	8,117,714
5,001 to 10,000	1,473	11,305,632
10,001 to 100,000	1,898	46,925,791
100,001 and over	113	240,880,875

* There are 588 holders of less than a marketable parcel of shares.

20 Largest Fully Paid Shareholders	Number of Ordinary Holders	% of Fully Paid Ordinary Shares
Citicorp Nominees Pty Limited	85,412,473	27.75
JP Morgan Nominees Australia Limited	49,235,016	15.99
National Nominees Limited	29,421,267	9.56
HSBC Custody Nominees (Australia) Limited	15,201,685	4.94
BNP Paribas Noms Pty Ltd <DRP>	14,457,920	4.70
AMP Life Limited	8,582,116	2.79
CS Third Nominees Pty Ltd	4,942,388	1.61
RBC Investor Services Australia Nominees Pty Limited <BKCUST A/C>	4,267,031	1.39
Lippo Securities Limited <Client A/C>	2,500,000	0.81
Mr John Murray	1,447,755	0.47
Brispot Nominees Pty Ltd <House Head Nominee No 1 A/C>	1,341,907	0.44
Mrs Barbara Hirschowitz	1,024,000	0.33
HSBC Custody Nominees (Australia) Limited – GSCO ECA	784,396	0.25
HSBC Custody Nominees (Australia) Limited – A/C 2	757,304	0.25
CS Fourth Nominees Pty Ltd	747,297	0.24
LJ Thomson Pty Ltd	700,000	0.23
Escor Equities Consolidated Pty Ltd	665,000	0.22
UBS Nominees Pty Ltd	520,570	0.17
Mr Russell N Lyons	516,801	0.17
Pacific Salt Superannuation Pty Limited <Employees Retire Fund A/C>	500,000	0.16
	223,024,926	72.47

Substantial Shareholders	% Holding
AGR Partners LLC	19.73
AMP Limited	7.85
Lazard Asset Management	7.79
SAS Trustee Corporation	6.23
Dimensional Fund Advisors Group	5.18

Directors' holdings

On 20 August 2015, 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
TJ Hart	26,783	1,200,000*
AL Vizard	46,658	-
PM Mann	96,625	-
RJ van Barneveld	58,900	-
GH Weiss	50,000	-
E Knudsen	703,286	-

* Mr T Hart's performance rights were approved by shareholders at the 2013 and 2014 Annual General Meetings.

Voting rights

As at 20 August 2015, the number of holders of fully paid ordinary shares with full voting rights was 7,492. 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
AFGC	Australian Food and Grocery Council
ARA	Australian Renderers Association
ASX	Australian Securities Exchange
Board	Ridley Board of Directors
CCP	Calls for Commercial Proposals
CEO	Ridley Chief Executive Officer and Managing Director
CGU	Cash generating unit
CIO	Chief Information Officer
Committee	Remuneration Committee
Company	Ridley Corporation Limited
CSF Proteins Melbourne	Rendering business at Laverton
CSIRO	Commonwealth Science and Industrial Research Organisation
Deed	Deed of Indemnity between Company and its Directors and executive officers
EBIT	Earnings Before Interest and Tax
EBITDA	Earnings before Interest, Taxation, Depreciation and Amortisation
EoI	Expression of Interest
EPS	Earnings Per Share
Fund	Ridley Superannuation Plan – Australia
FY13	2013 financial year
FY14	2014 financial year
FY15	2015 financial year
FY16	2016 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
IMS	Inventory management system
KMP	Key management personnel
KPIs	Key Performance Indicators
KPMG	Independent External Auditor of Ridley
LTIFR	Long Term Injury Frequency Rate
LTIP	Ridley Corporation Long Term Incentive Plan
Managing Director	Ridley Chief Executive Officer and Managing Director
MoU	Memorandum of Understanding
NFF	National Farmers Federation
NGER	National Greenhouse and Energy Reporting Act 2007 (Cth)
P/E ratio	Price to Earnings ratio
PEPR	Program for Environmental Protection and Rehabilitation
R&D	Research and Development
RCEP	Regional Comprehensive Economic Partnership
Recommendations	ASX Corporate Governance Council – the Corporate Governance Principles and Recommendations
Ridley	Ridley Corporation Limited
Rights	Performance rights issued under the LTIP
Scheme	Ridley Employee Share Scheme
SFMCA	Stockfeed Manufacturers Council of Australia
STI	Short Term Incentive
TEP	Total Employment Package
TPP	Trans Pacific Partnership
TRFR	Total Recordable Frequency Rate
TSR	Total Shareholder Returns
US	United States of America

CORPORATE DIRECTORY

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ABN 33 006 708 765

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RIDLEY