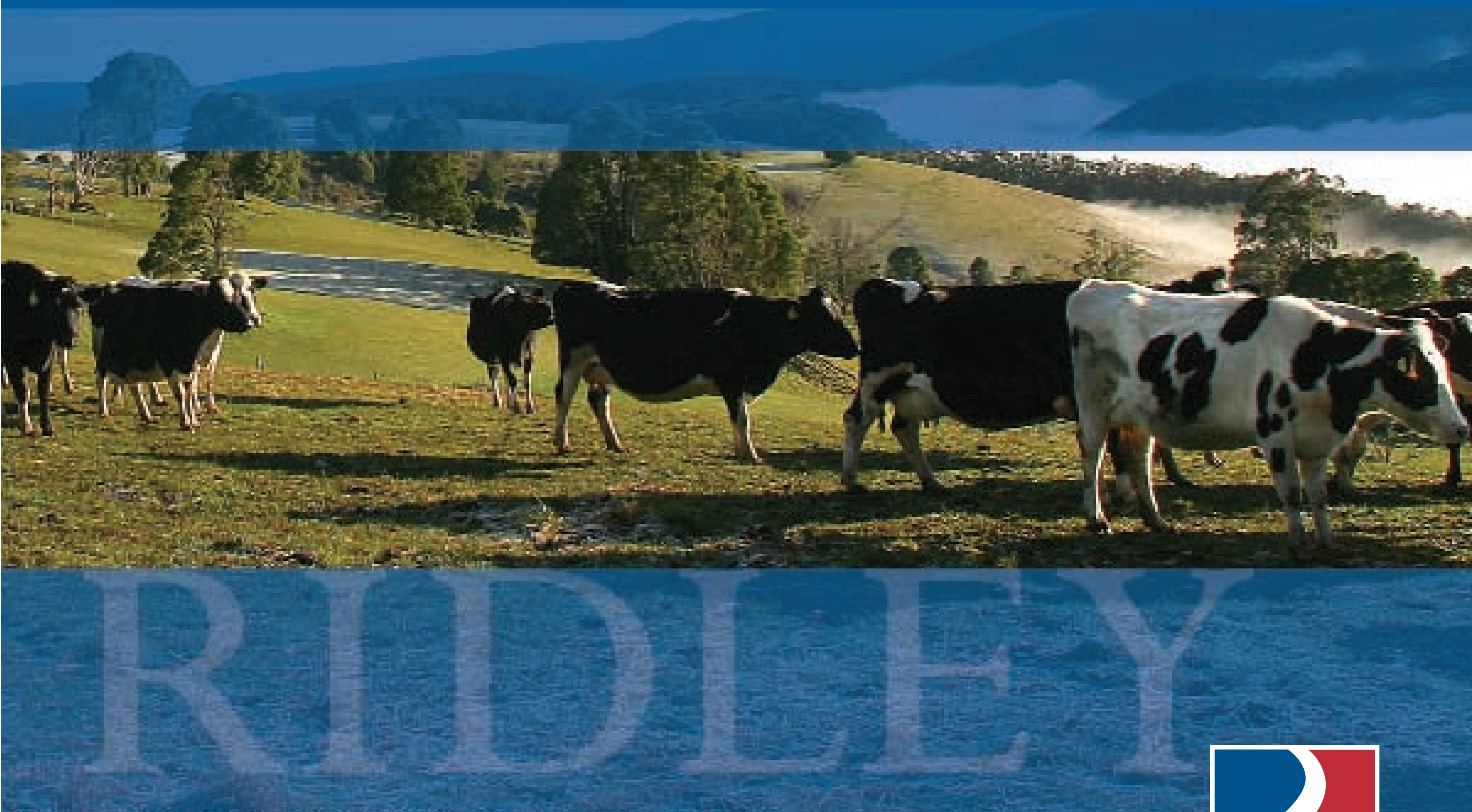


RIDLEY CORPORATION
ANNUAL REPORT 2002

Why Ridley?

1

Our businesses are very cash generative. By refocusing on our core competencies and continuing to adhere to strict financial disciplines we have significantly strengthened our balance sheet.

2

Our passion for understanding and managing the risks in all areas of our business is fundamental to our success.

3

The strong position we enjoy in our key markets gives us significant advantages in market intelligence, procurement, research and development initiatives and access to the best people.

4

We have highly qualified specialists in all our businesses. This enables us to provide continual innovation and solutions for the benefit of our customers.

5

The diversity of our product range and customer base across the countries in which we operate significantly reduces the potential negative impacts of adverse changes in economic conditions, animal diseases and commodity price fluctuations.

Contents

Ridley Corporation is one of the world's largest producers of animal nutrition. It is also a major producer and refiner of salt in Australia and New Zealand. We see our products as vital links in the human food supply chain and are committed to ensure their safety and quality.

Annual General Meeting

The Annual General Meeting of Ridley Corporation Limited ABN: 33 006 708 765 will be held at 10am on Monday, 28 October 2002 in the:

James Cook Ballroom
Intercontinental Hotel
117 Macquarie Street
Sydney NSW 2000

A formal notice of meeting and proxy form is enclosed with this report.

2002 Financial Calendar

8 October 2002
Books close for final dividend

28 October 2002
Annual General Meeting

29 October 2002
Final dividend paid

30 November 2002
Convertible Notes Interest Payment

15 December 2002
Convertible Notes Redemption Date and Final Interest Payment

Proposed Timetable 2003

February

Interim results and dividend announcement

March

Books close for interim dividend

April

Interim dividend mailed

August

Preliminary profit and final dividend announcement

October

Books close for final dividend

Annual General Meeting

Final dividend mailed

Chairman's Review

It is very pleasing to report that, for fiscal 2002, Ridley's achievements included a major lift in earnings, significant progress in focusing operations for more efficient and profitable performance and an exit from our underperforming business in Europe. A more detailed description of the achievements is provided in the pages that follow.

As a result of improved operating earnings, a capital inflow from the exercise of options, and sales of surplus assets, we have exceeded our debt-reduction targets, and returned to a position where our balance sheet is quite strong. The Board now looks forward to continued, albeit carefully managed, growth within our core areas of expertise.

In recognition of the improved earnings and stronger balance sheet, directors increased the final dividend to 2.5 cents bringing the full year dividend to 4.5 cents, fully franked, compared with 4.0 cents last year. Payout ratio for fiscal 2002 was 36%.

As to the bigger picture, a number of factors have the potential to impact upon our business. The first is the current drought in large parts of Eastern Australia, which offers short-term opportunities for the company because of increased demand for feed, though for the agricultural sector as a whole it is bad news. The second is some worrying trends in the world trading environment that are inconsistent with the trends in recent years towards a gradual freeing up of world trade including agricultural trade. As a new round of WTO talks gets underway, we can but hope that further progress will be made.

The third factor that is becoming an increasing issue in our salt and feed activities in Australia is sustainability, most obviously evidenced by the impacts of dry land salinity on agricultural efficiencies and the environment generally. Thanks to our Cheetham Salt operation, salinity is an area about which we have some knowledge. We welcome moves announced during the year for Federal and State governments to invest significant sums to slow down the encroachment of salinity and will be looking to participate, where appropriate, in finding and implementing solutions.

Left to right:

Aquafeed salmon pellets produced at Narangba, Queensland.

Salt harvested at Lara, Victoria.

Following the major corporate collapses we have witnessed in Australia and abroad, no Chairman's report would be complete without some comment on corporate governance. Ridley's vital place in the food chain means that integrity and trust are highly placed values, in all our operations and in the boardroom. Diligent financial practice is equally highly regarded, and we believe that the investment and banking backgrounds of the two new Board members announced this year, Elizabeth Bryan and Rick Lee, both of whom have been appointed to our audit committee, give us additional strengths in this important area of governance. Michael Edgar, who has been a director of Ridley since it first listed on the ASX in 1987, retired in June this year. We thank Michael for his long and distinguished contribution to the company and wish him well for the future.

Finally, on behalf of my fellow Board members, I would like to thank Matthew, his senior management team and all Ridley staff for their considerable efforts and achievements in building the company and along with it, shareholder value. I look forward to reporting another strong result in fiscal 2003.

John S. Keniry
Chairman

Company performance Five year summary	2002 $'000	2001 $'000	2000 $'000	1999 $'000	1998 $'000
Sales Revenue	1,408,284	1,378,790	986,534	905,171	929,202
Other Revenue	14,755	13,992	34,545	13,991	10,363
Earnings Before Interest & Tax	77,062	69,627	43,414	46,822	54,174
Net Interest Expense/Finance Charge	17,747	21,797	17,375	13,083	10,962
Operating Profit Before Tax	59,315	47,830	26,039	33,739	43,212
Tax Expense	20,720	17,831	11,206	13,096	16,008
Net Profit Before Significant Items & OEI	38,595	29,999	14,833	20,643	27,204
Outside Equity Interests	6,400	5,501	1,119	3,649	5,283
Net Profit Before Significant Items (after OEI)	32,195	24,498	13,214	16,994	21,921
Significant Items (Net of tax)	-	(12,406)	794	(24,199)	6,602
Operating Profit/(Loss) After Tax, Significant Items	32,195	12,092	14,508	(7,205)	15,319
Shareholders' Funds	302,931	279,454	260,869	195,706	230,131
Outside Equity Interests	48,770	46,967	41,951	41,288	49,155
Total Assets	766,271	829,415	798,577	618,309	616,787
Total Liabilities	414,570	502,994	495,757	381,315	337,501
Funds Employed	531,828	599,640	573,278	450,876	432,921
Dividend Per Share (cents)	4.5	4.0	4.0	7.5	7.5
Gross Cash Flow Per Share (cents)	29.9	29.0	14.3	16.5	18.3
Net Tangible Asset Backing Per Share (Cents)	96.3	93.3	83.9	61.3	67.4
Earnings Per Share Before Significant Items (Cents)	13.1	10.2	5.8	7.2	9.4
Number of Ordinary Shareholders	13,420	13,732	14,345	13,745	11,267
Number of Convertible Note Holders	4,189	4,586	4,940	5,363	5,534
Employees	2,299	2,214	2,348	2,198	1,905

Managing Director's Review

You will not be surprised to read that much of our work this year has been a continuation of the initiatives discussed at this time last year. In 2001, we laid the groundwork for Ridley's future. This year we continued to shape the company to give it the scope and financial strength it needs to be a long-term profitable player in all its main markets.

To a degree, the results achieved in 2002 speak for themselves. Without doubt, a primary focus has been our balance sheet, where we have seen continuing improvements. We have sold our loss making Cotswold European businesses, albeit later than we had originally hoped, and our efforts to turn around Ridley AgriProducts that began last year continue to bear fruit, with results showing a significant increase over last year. Though conditions in North America have been testing, with uncertainty in the domestic economy following a downturn of consumer confidence after September 11, our feed operations there have delivered healthy cash flows and a very credible result.

Raising Barriers to Entry

Delivering on the promises we made last year, we have continued to build credibility and restore confidence in the marketplace; exercise strong disciplines in capital allocation; and ensure that we have the right management talent to allow Ridley to seize appropriate growth initiatives. We continue to maintain the strongest possible focus on the management of risk, to ensure that all of our people fully understand, and have a day to day focus on, managing these risks. Our operating risks are no greater or less than those facing any food company; but we believe that in an increasingly difficult environment, characterised by stringent regulation and ever escalating insurance costs, the only place a successful company can be is at the forefront of its industry.

Lasting Partnerships

With the resources we have allocated to risk management, we have continued to raise the barriers to entry and differentiate ourselves strongly from our competitors.

Increasingly, livestock producers will only want to work with feed suppliers who have the best possible controls in place. Our quality and traceability programs and the accountability measures we are introducing throughout the company are of a standard that more and more producers will start to demand. We believe that these initiatives, in time, will result in much stronger partnerships with our customers.

Planning Process

Unlike previous years where our planning process was perhaps little more than a long-term budgeting exercise, involving only a handful of our executives, this year's process involved close to two hundred of our people, at most levels of the organisation; and constituted, in effect, a hunt through all of our businesses to arrive at the core issues we will need to focus on over the next five years.

Across our divisions, a number of recurring themes emerged. The first was that there is an increasing level of confidence among our people that our businesses are capable of sustained earnings growth.

To a large degree, ongoing growth in our businesses is linked to the health of the economies in which they operate and, at a more macro level, are strongly linked to the growth of the world economy. While the earnings of our businesses shift as these economies contract and grow, as we currently stand we do not believe our market shares are likely to be dramatically affected. With a continuing tight rein on the management of costs and working capital, our focus will be on pursuing growth at the right price.

As in any planning process, understanding our weaknesses is as important as understanding our strengths. While the planning process revealed core opportunities in all of our businesses, it also uncovered some weaknesses, particularly with regard to succession planning and information systems. It goes without saying that as Ridley moves forward, these weaknesses will need attention.

The last four years have seen the company's focus increasingly move towards growing our animal nutrition businesses in North America through acquisition. This left the stability of Cheetham Salt's earnings to underpin investor confidence as this strategy evolved. Our planning process this year has identified a need to reposition our salt business back at the centre of our Australian operations, allocating management and resources to enable it to seize the opportunities that the planning process has identified. Our business development team will be closely aligned this year with the salt business, analysing and prioritising these opportunities.

Not all of the issues that emerged can be resolved overnight. As in any planning process, it is up to us to follow up and provide the management focus to ensure we deliver on the plans. After nearly two years in Ridley and having been thoroughly involved in this substantial planning process, I remain more convinced than ever that our businesses are capable of long-term, recurring earnings that should provide year on year increases.


Left to right:

Bill Poynton, Managing Director & Chief Executive Officer, Ridley Australasia
Bob Gallaway, President & Chief Executive Officer, Ridley Inc

Cooperation and Coordination

In my address to shareholders at the Annual General Meeting last year, I talked about the need to focus on one of AgriProducts' biggest strengths: our relationship with our colleagues in Ridley Inc. Over the course of the year this has been a strong theme. Indeed, a priority identified in the planning process was the need to ensure greater cooperation and coordination in our animal nutrition businesses, so that we can draw on each division's skill base.

This year has seen the first steps in that process. We are coordinating joint purchasing of some feed inputs. Risk managers continue to work closely on issues relating to biosecurity and Ridley Inc has further strengthened its expertise in the area with the appointment of Bob Malgrem, previously of Northwest Airlines, as our risk manager in North America. The group is now moving towards operating under one set of risk management protocols. Across our business development units, projects are assessed jointly through a central function. On the management side, we have identified a need to shift our Australian AgriProducts business more towards a species orientated rather than a geographical structure. To that end, we will be looking at a further exchange of management between Australia and North America. On the product side, there has been close contact between our supplements operations to allow our Australian business to leverage off Ridley Inc's strengths in this area.

Looking Ahead

Are we satisfied with our performance? In some areas, yes, but we still have a long way to go; and while as a group we have a degree of comfort about our level of earnings this year and have put losses from our Cotswold European business behind us, we do still have an ongoing exposure in the swine genetics market in Canada and the US, which will require tight management to ensure any loss is narrowly contained.

As always, this coming year will bring its challenges. We will continue to be disciplined in our allocation of capital; continue to drive our commitment to risk management throughout the organisation; and pursue the growth opportunities our planning process has identified. I would like to take this opportunity to thank all our staff in all our operations for their efforts this year and look forward to their continued support and commitment in the coming year.

Matthew Bickford-Smith
Managing Director and
Chief Executive Officer

Why Ridley?

1

Our businesses are very cash generative. By refocusing on our core competencies and continuing to adhere to strict financial disciplines we have significantly strengthened our balance sheet.

Ian Wilton
Chief Financial Officer

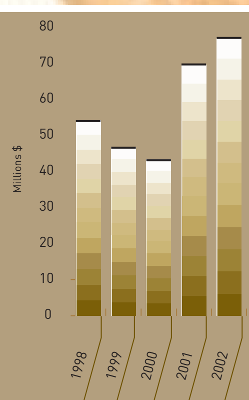
Our balance sheet is robust, with a significant margin of safety. This has been achieved by harnessing the cash flow generated by our businesses, reducing the amounts of working capital they employ and ensuring that capital expenditure delivers appropriate rates of return.

During the past 12 months our net debt has been reduced by over a third or almost $100 million and totalled $193 million as at June 2002. $73 million of this reduction was delivered by the day to day operations of the company. A further $15 million was received from the exercise of listed options in April 2002.

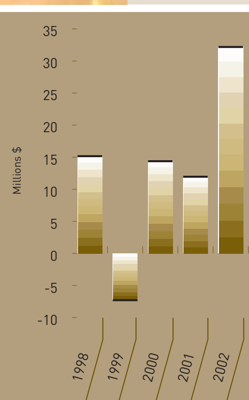
Our key financial ratios are strengthening with cash flow coverage now standing at 1.8 times, and interest cover at a comfortable six times on an EBITDA to net interest basis. Both these ratios compare favourably with our peer companies in Europe and North America.

Working capital accounts for 20% of funds employed. Our key financial personnel Paddy Watts, General Manager Finance and Accounting, Mike Manson, CFO of Australasia and Mike Mitchell, CFO of Ridley Inc, have given close attention to the management of receivables and inventory. Credit controls have been tightened and the way in which we look at customers' accounts has been changed. The approval and review of our major customers' accounts, for example, now require input from senior executives and in some cases the board of directors. This allows us to better understand the environment in which our customers operate.

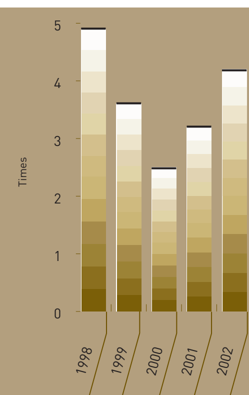
We have reduced the collection period of accounts receivable significantly. Days sales outstanding have been reduced from 44 to 40 in AgriProducts and from 30 to 26 in Ridley Inc. Cheetham Salt maintained its tight control over receivables.



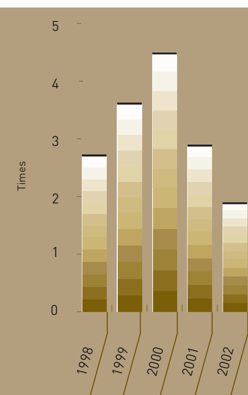
EBIT



Net Operating Profit



EBIT Interest Cover



Net Debt/ EBITDA

Chief Financial Officer's Review

Earnings Performance

Net profit for the year ended 30 June 2002 was $32.2 million, up from $12.1 million last year. Compared to last year's earnings before significant items of $24.5 million, this represented an improvement of 31%. There were no significant items in 2002.

	2002 $000	2001 $000
Sales Revenue	1,408,284	1,378,790
EBIT	77,062	69,627
Less: Borrowing Costs	17,747	21,797
Operating Profit before Tax	59,315	47,830
Less: Tax Expense	20,720	17,831
Outside Equity Interests	6,400	5,501
	32,195	24,498
Significant Items gain/(loss)	-	(17,818)
Add: Tax Benefit	-	1,278
Outside Equity Interests	-	4,134
	-	(12,406)
Operating profit/(loss) after tax and significant items	32,195	12,092

EBIT (Earnings before Interest & Tax)

A continuing improvement in earnings from our Australian AgriProducts division led the 11% increase in EBIT from operations. AgriProducts earnings increased 29% to $16.0 million due to higher sales volumes and improved allocation of raw materials. Salt earnings were up 3% as higher value domestic sales partially replaced low margin export volumes.

EBIT attributable to Ridley Inc of $45.6 million was up 4.2%. The US Division increased by $4.1 million or 9.5% to $46.8 million, with improved margins in the feeds business and record sales volumes for blocks. The Canadian Division was up 31% to $15.8 million, a result which included $3.7 million from the settlement of a claim from suppliers. Operating losses in the Cotswold pig genetics business totalled $9.4 million. Of this $6.4 million was attributable to the European business which has been sold, resulting in a loss of $1.5 million after outside equity interests.

Interest Expense

Average borrowing costs including convertible note interest for the year were 7.7% (last year 8.3%).

Average debt levels for the year were $54 million lower than last year. Interest expense at $20.5 million was $5.6 million lower than last year. Borrowing costs, net of interest income and bank fees, totalled $17.7 million.

Income Tax

Total income tax of $20.7 million averaged 35% of pre tax earnings. The losses in Cotswold not being tax effected were the major contributors to the rate being above the prima facie level of 30%.

Cash Flow & Balance Sheet Management

Our continuing focus on the repayment of debt led to gearing reducing to 55% down from 90% at the end of last year. Total debt including convertible notes, net of cash on hand and on deposit, was $193 million at 30 June 2002.

Particular attention has been given to the management of working capital which was reduced by $25 million, despite increased sales volumes and commodity prices. Days sales of outstanding receivables at year end were 31, an improvement of 3 days compared to last year. The collection or settlement of out of terms amounts has been targeted successfully during the year. In AgriProducts, for example, receivables

Key Ratios

	2002	2001
Total liabilities/Total Tangible Assets	60.2%	67.5%
Net Debt/Shareholders' Equity	54.9%	89.6%
Net Debt/Gross Cash Flow (EBITDA)	1.8	3.0
EBITDA/Interest Paid	5.2	3.8

EBITDA = Earnings before interest, tax, depreciation and amortisation.

outstanding for more than 90 days were reduced by more than 50%.

In line with North American feed industry practice, Ridley Inc has traditionally entered into certain loan and collateral agreements with some of its key customers to facilitate growth and strengthen long term relationships. The terms and conditions under which such funds are advanced have been revised with a greater emphasis on the level of returns required and security sought. During the year the amount outstanding reduced by $3.7 million.

Capital expenditure was tightly controlled with a continuing emphasis on achieving required hurdle rates. Annual expenditure of $13 million was similar to last year. For the year $8 million was raised from the sale of surplus assets allowing for an improvement in the return on funds employed.

New Financing Facility

In October 2001 a new global banking facility was signed with a syndicate of five international banks. This multi-currency facility is for a total of $320 million (equivalent) and has an initial term of four years. It was used to repay all existing bank debt and will refinance the $42 million balance of convertible notes, which are due for redemption in December 2002.

Exchange Rates

Overseas earnings are translated into Australian dollars at an average weighted exchange rate for the year. The Statements of Financial Position are translated at the ruling year end rate. Major exchange rates applicable were as follows:

				2002	2001
Weighted	C$	:	A$	.8100	.8135
Average:	US$	:	A$	.5165	.5332
	£Stg	:	A$	.3582	.3682
Year End	C$	:	A$	.8518	.7723
Rates:	US$	:	A$	.5639	.5075
	£Stg	:	A$	.3695	.3603

Issued Capital Movements

In April 2002, 23.1 million new shares were issued following the exercise of listed options, resulting in the inflow of $15 million in new equity. A further 1.6 million shares were issued for a consideration of $1.5 million under the Dividend Reinvestment Plan and Employee Share Plan.

Insurance

There were no significant claims made on insurers during the year. Insurance cover was renewed at year end in extremely difficult market conditions. The level of cover achieved was similar to the previous year but premium costs increased by over 50% with most of this increase for liability insurance. These increased costs will be reflected in next year's accounts.

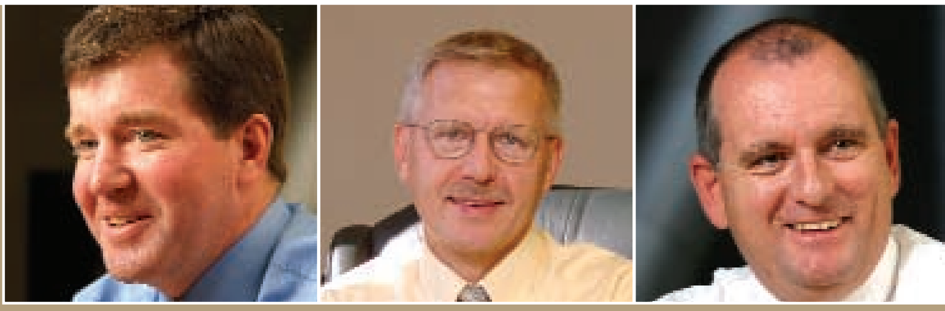
Financial Risk Management

The Board of Directors, through management, seeks to minimise risk to our earnings and assets.

- Interest Rate Risk: At 30 June 2002, approximately $145 million of debt was subject to a fixed rate of interest for periods between one year and five years. The level of cover is reviewed with the aim to maintain a spread of interest rate maturity periods.

- Currency Risk: Wherever possible we borrow in the currency of the country where we have substantial operations. Exposure is thereby limited to the net asset investment in that country. Currently, this applies to Canada and the USA. Movements in currency, as they affect the translation of the overseas net assets, are transferred to the Foreign Currency Translation Reserve. Transactional exposures are generally covered at the time a commitment is made or when the liability occurs.

- Commodity Risk: Ridley purchases various raw materials on a global and domestic basis. Approval levels and the forward purchasing of raw materials are monitored and restrictions placed on the length of forward purchases.



Left to right:

Paddy Watts, General Manager, Finance & Accounting,
Mike Mitchell, Chief Financial Officer, Ridley Inc,
Mike Manson, Chief Financial Officer, Ridley Australasia

Review of Operations
Ridley Inc

Ridley Inc is the fifth largest feed company in North America. We manufacture and distribute formulated livestock feeds and feed products to customers in the US, Western Canada and Ontario. Our operations include 29 mills in the US and 16 in Canada.

Ridley Inc comprises:

- Our US Feed Operations:
  - Hubbard Feeds, our animal nutrition business, headquartered in Mankato, Minnesota;
  - Ridley Block Operations, the largest manufacturer and marketer of low moisture blocks in North America;
  - McCauley Bros, a newly acquired business, located in Versailles, Kentucky, near Lexington, which focuses on nutrition and specialty products targeted exclusively for equine markets in North America;
- Canadian Feed Operations, which manufactures and markets feed primarily under the Feed-Rite brand, but also as Farmix in Ontario, and Daco Western Canada in Alberta and Manitoba; and
- Cotswold's North American based swine genetics business, which during the year was renamed Cotswold Swine Genetics.

US Feed Operations

Hubbard Feeds

Fiscal 2002 was a highly successful year for Hubbard Feeds. A focus on business fundamentals delivered strong earnings results. Earnings before interest and taxes increased by 9%, and considerable progress was achieved in several other key operating areas. In 2001 much of the focus surrounded the acquisition and integration of Wayne Feeds. With that process complete, this year's focus shifted to sales generation and improving operating efficiencies.

The focus on sales growth resulted in volume improvements in virtually all species and product segments and through nearly all distribution channels. Earnings exceeded last year in five out of six geographic business units. These positive sales results came in spite of the hot summer, which reduced feed intake for all species and resulted in reduced sales volumes early in the year. This was followed by a mild winter with a lack of snow, which allowed cattle to graze longer, and reduced demand for feed.

Although total sales volumes declined slightly, volumes of higher margin, value added products were well ahead of last year. As a result, net margins per tonne and total net margins improved significantly over 2001. Aggressive operating and overhead expense control, and risk management in the key areas of safety, product liability, credit and property loss, also played a role in the year's excellent results.

Our 2001 initiative to become the first and only major US feed manufacturer to gain ISO 9001 registration paid dividends this year, with improved product quality and reductions in product and service complaints. Initiatives this year included the completion of the expansion of the Appleton, Wisconsin plant, and upgrades to the Iowa City, Iowa and Mendota, Illinois plants.

Ridley Inc is the fifth largest feed company in North America.

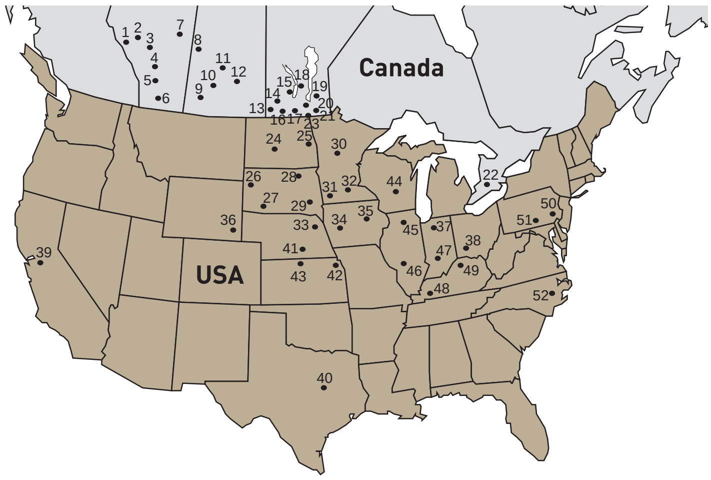
Ridley Block Operations

The highly successful introduction of four new products helped our Block Operations achieve its fifth consecutive year of record sales, with volume outpacing last year by 3%. Ridley continues to lead the low moisture block market, despite the fact that for most of the year unseasonably mild weather conditions in much of North America slowed the movement of products. However, a cooler spring and the early summer dry weather resulted in a strong finish to sales.

Despite record sales, operating income remained essentially flat compared with last year. Supplies of molasses, the major component in low moisture blocks, were very tight early in the year, and the transportation distances were greater, resulting in higher production costs.

The introduction of four new products that provide around the clock fly control and supplementation, and two new supplements products as summer time feed supplements, along with the increased awareness these products provided for the entire product line, helped extend the use of

Ridley Inc Operations and Manufacturing Locations



CANADA	ISO Certification	HACCP Certification
1. Rocky Mountain House, Alberta	No manufacturing	No manufacturing
2. Rimbey, Alberta	No manufacturing	No manufacturing
3. Lacombe, Alberta	✓	✓
4. Linden, Alberta	✓	✓
5. Fort Macleod, Alberta	✓	✓
6. Lethbridge, Alberta	✓	✓
7. St. Paul, Alberta	✓	✓
8. Lloydminster, Alberta	No manufacturing	No manufacturing
9. Swift Current, Saskatchewan	No manufacturing	No manufacturing
10. Saskatoon, Saskatchewan	✓	✓
11. Prince Albert, Saskatchewan	No manufacturing	No manufacturing
12. Humboldt, Saskatchewan	✓	✓
13. Reston, Manitoba	No manufacturing	No manufacturing
14. Brandon, Manitoba	✓	✓
15. Austin, Manitoba	No manufacturing	No manufacturing
16. Killarney, Manitoba	No manufacturing	No manufacturing
17. Manitou, Manitoba	✓	✓
18. Arborg, Manitoba	✓	✓
19. Malonton, Manitoba	No manufacturing	No manufacturing
20. Winnipeg, Manitoba	✓	✓
21. Grunthal, Manitoba	✓	✓
22. Mitchel, Ontario	✓	✓
23. Daco, Winnipeg	✓	✓

USA	ISO Certification	Facility Certification Institute Level 1
24. Bismarck, North Dakota	-	-
25. Grandin North Dakota	✓	✓
26. Whitewood, South Dakota	✓	✓
27. Rapid City, South Dakota	✓	✓
28. Watertown, South Dakota	✓	✓
29. Huron, South Dakota	✓	✓
30. Alexandria, Minnesota	✓	✓
31. Worthington, Minnesota	✓	✓
32. Mankato, Minnesota	✓	✓
33. Sioux City, Iowa	✓	✓
34. Storm Lake, Iowa	✓	✓
35. Iowa City, Iowa	✓	✓
36. Lusk, Wyoming	✓	✓
37. Shipshewana, Indiana	✓	✓
38. Botkins, Ohio	✓	✓
39. Stockton, California	✓	✓
40. Buffalo, Texas	✓	✓
41. Columbus, Nebraska	✓	✓
42. Atlantic, Iowa	✓	✓
43. Beloit, Kansas	No manufacturing	No manufacturing
44. Appleton, Wisconsin	✓	✓
45. Mendota, Illinois	✓	✓
46. Bushnell, Illinois	✓	✓
47. Castleton, Indiana	✓	✓
48. Hopkinsville, Kentucky	✓	✓
49. Versailles, Kentucky	-	2003
50. Lancaster, Pennsylvania	✓	✓
51. Chambersburg, Pennsylvania	No manufacturing	No manufacturing
52. Selma, North Carolina	✓	✓

Why Ridley?

2

Our passion for understanding and managing the risks in all areas of our business is fundamental to our success.

John Pearce
Group Risk Manager

At Ridley we take the management of risk extremely seriously. This focus on risk management delivers genuine competitive advantages to our company.

Our risk management process is overseen by the Risk Management Committee, which comprises the CEOs, CFOs and risk managers in our businesses. To maximise the breadth and impact of risk management we have developed a risk analysis tool that we call Risk Profiling. This is used to identify our business risks, examine the reliability of existing controls and determine what else we need to do to better manage these risks. This process forces us into the details of our businesses and helps us assess cost effective solutions.

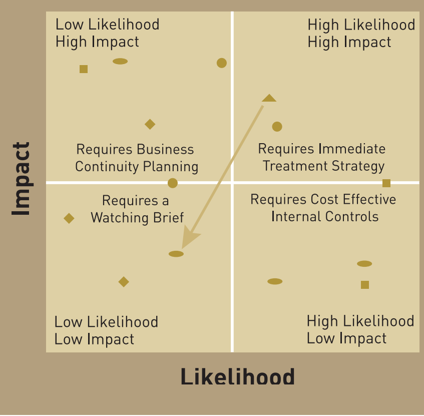
The example below is from Risk Profiling undertaken in our Aquafeeds business. Each 'dot' represents one identified and quantified risk and the example shows how one of these was reduced.

This particular risk was for the potential of product liability claims which could arise from errors in the ordering process, incorrect manufacturing and delivery. We assessed the potential for these exposures to have negative financial impact and harm our reputation. We then examined the reliability of existing controls such as our quality assurance program and order management, and assessed the cost benefit of implementing additional controls such as establishing supply agreements with major customers, an automated link between formula and label and obtaining customer sign off to nutritional formula changes.

As a result of this assessment we have implemented changes in our Aquafeed business which have reduced this specific risk from one of potentially high likelihood/high impact to one of low likelihood/ low impact.

In addition to reducing our business risk exposure, the introduction of Risk Profiling into the Ridley Group and our consistent demonstration of superior risk management practices, have enabled the company to attract A grade insurers and minimise insurance premiums.

Risk Map



Risk Profiling undertaken in our Aquafeeds business low moisture blocks throughout the year. In addition, research into novel products is leading to exploration of several new market niches, and continuing research efforts in the area of range management are resulting in innovative breakthroughs in grazing management of both public and private range areas. Major advances have also been made in demonstrating the superiority of using low moisture blocks to supplement the mineral needs of cattle versus the traditional dry, loose mineral feed.

Our four production facilities are all ISO 9001 and FCI certified. FCI certified facilities do not use restricted protein products in their ruminant feed manufacturing facilities. Both certifications speak volumes to distributors, dealers and producers about our commitment to product quality and safety.

In the first quarter of 2002 Ridley Block Operations acquired the patent rights and manufacturing equipment for Pound-A-Day, a solid nutritional feed in bar form primarily aimed at the equine market. The manufacturing equipment was moved from Oklahoma to the Ridley Block plant in Worthington, Minnesota. Our goal is to have the new equine product ready for the market by the end of the calendar year.

McCauley Bros

In April 2002, Ridley acquired a majority interest in McCauley Bros, completing the first step in a strategic plan to create a new business unit focused on nutrition and specialty products targeted at equine markets in North America. Established in 1938, close to one of the largest concentrations of thoroughbred and standardbred horses in America, McCauley Bros is engaged exclusively in the manufacture of premium quality equine feeds and nutritional supplements. A state of the art facility, designed specifically for the production of horse feed, was constructed during 1999 and 2000.

Uncompromising quality, recognised expertise, a solid track record for innovation and strong brand recognition have made McCauley Bros the supplier of choice for many of the world's best horse breeders, farms and stables. Its products are shipped directly to customers, sold extensively through a network of dealers and regional distributors, and also exported to Canada, Mexico, Chile, Puerto Rico, Japan and Ireland. In addition to McCauley's branded products, customers have access to a wide array of services and support.

Candian Feed Operations

Feed-Rite

Our feed business Feed-Rite continued to take advantage of its competitive strengths to record higher revenues and a 31% increase in earnings before interest and taxes which included a $3.7 million supplier claim settlement.

Overall feed sales volumes declined due to two main factors, the loss of internal feed tonnes supplied to Quality Swine Systems (QSS), our former 12,000 sow commercial swine production business, and the decision made by two large commercial swine producers to construct their own feed mills. This resulted in a change in our product mix, with lower volumes of complete feed sales, but the margins from those sales were replaced by increased sales of premixes and supplements. The liquidation of QSS continued throughout the year, and was completed by June 2002.

The reduction in sales volume was concentrated in the swine sector, for the reasons noted above, with virtually all other sectors showing increases. In particular, strong growth was recorded in beef cattle, horse and poultry feed sales volumes.

Left to right:
Bob Malgrem, Risk Manager, Ridley Inc.
Ian Wildish, Risk Manager, Ridley Australasia.
Superior risk management practices have enabled Ridley to attract A grade insurers.

Why Ridley?

3

The strong position we enjoy in our key markets gives us significant advantages in market intelligence, procurement, research and development initiatives and access to the best people.

Frank McManus
National Sales, Distribution & Development Manager, Cheetham Salt

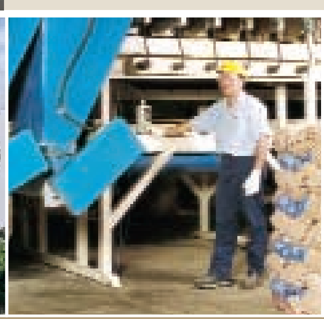
At Ridley we enjoy market leadership positions in a number of our products. In Salt, for example, we are the largest producer of refined salt in Australia, and through a joint venture, in New Zealand. Working closely with our customers and understanding their needs, we have an almost unprecedented on time, in full (OTIF) delivery record of 99.8%.

In our key markets we are also industry leaders in the amount of time and resources we invest in researching new applications and developing new products.

In Wakool, New South Wales, one of Australia's largest and most successful salinity control programs, a trial harvest that we undertook as part of the program, has contributed towards ensuring the continued viability of rice growing in the region. Studies in conjunction with the CSIRO are being undertaken to improve the quality of salt produced at this site.

We are currently in the process of developing a recycling project for one of our major hide/leather salt customers. Again working in conjunction with the CSIRO, this process will not only provide our customer with the solution to a waste disposal problem, but will enable the used salt to be recycled once it has been processed. We are also continuing to develop high purity natural salts, and calcium mineral rich salts for premium niche markets in Japan.

It is this commitment to research and development, together with the benefits a strong market position brings, that ensures we are able to adapt to new competitive conditions and our customers' changing needs.



Left to right:
Ridley Block Operations' Whitewood plant, South Dakota.
Feed-Rite premix plant, Canada.
AgriProducts Feed Mill, Pakenham, Victoria.

A 14% increase in beef feed sales volumes was partially due to the drought last autumn in Alberta and Saskatchewan, which reduced the amount and quality of grazing pasture. The problem was heightened by a late and cool spring in which grazing pastures were slow to produce grass. Volumes were also boosted by the introduction of a comprehensive new beef feed program across our trading area, using the most recent research on cattle nutrition and feed management. The new program is focused on larger customers and several niche markets, and has proven to be very successful.

Having made no acquisitions for the past couple of years, after a period of rapid internal growth combined with several acquisitions, we focused on our core competencies in 2002. Attention was directed towards improving efficiencies, strengthening cost controls, streamlining operations and enhancing logistics. In April, Feed-Rite completed an initiative to have all its facilities HACCP certified, making it the first feed manufacturer in North America to have all of its mills registered to both the ISO 9001 and HACCP quality control food safety programs. Feed-Rite is also the first producer in the industry to develop a joint ISO/HACCP registration model. With this program now fully in place, Ridley has extended its lead in quality and food safety in the Canadian feed industry.

Cotswold

Ridley's swine genetics business posted significant losses again in fiscal 2002. These were driven largely by the lingering effects of Foot and Mouth disease in our European operations early in the year and other costs associated with the divestment of this business. Sharply lower pig prices late in the year exacerbated the overall losses.

In May 2002 we completed the sale of Cotswold's European operations and further consolidated and restructured our remaining genetics business in North America, renaming it Cotswold Swine Genetics, streamlining operations and eliminating more than $1 million in annual costs. We appointed a new senior management team with sorely needed pork production and genetics expertise, closed the Urbandale, Iowa and Shipshewana offices, downsized the Winnipeg office, relocated the headquarters to Mankato and outsourced a variety of functions to independent firms.

Together with the closure of QSS, the net effect of these steps was a reduction in total direct pig exposure and ownership by Ridley by nearly two thirds, a complete exit from commercial pork production and the establishment of an independent, North American science and genetics program. These initiatives will translate to significantly reduced losses in fiscal 2003.

Economic and Market Environment

The economics for livestock production in both the US and Canada were strong in the first half of the year, with producers enjoying average to above average prices and inexpensive feed costs. These favourable prices led to an increase in production and ultimately a surplus of meat and poultry supplies in the market. At the same time, a weakening world economy, reflecting the impact of the events of September 11, reduced consumer demand for all protein products just as supplies were hitting record levels. Prices in nearly all meat sectors declined dramatically as a result of the imbalance between supply and demand.

As the year closed, livestock production economics remained poor. The outlook for the coming year offers little immediate relief for producers. In Canada, the drought conditions persist, particularly in Alberta and parts of Saskatchewan, and grain prices remain strong, putting increased pressure on producers. Meat prices in both countries are expected to be weak until well into 2003.

Competitive Environment

Following two decades of consolidation in the US feed industry – largely driven by changing producer needs – it appears that this trend may be slowing as acquisition opportunities decline. Consolidation has left the remaining industry players much stronger, particularly since they have been able to remove excess manufacturing capacity, rationalise overhead costs, generate operating synergies, and invest in research and technology to meet producer needs. Hubbard has been an aggressive participant in the consolidation of the industry and realised the benefits again in 2002.

As in the US, the consolidation trend in Canada continues as the industry – and especially the pig industry – continues to evolve from a large number of smaller operators, to fewer, but much bigger, commercial producers. This impacts the animal nutrition industry in many ways. Large commercial livestock producers are raising the bar for their feed suppliers, demanding more sophisticated feed products and a higher level of technical support. Some of the most successful producers eventually reach a point where they are large enough to warrant constructing their own internal feed production facilities. Ridley has been anticipating this development for several years, and has taken the necessary steps to compete effectively in this environment. First, as one of the largest purchasers of feed ingredients in North America, we are able to leverage our purchasing power to buy feed inputs at lower prices and remain highly cost competitive. Second, being in the top tier of animal nutrition companies in North America, we are able to provide producers with an extensive menu of services.

Should producers make the decision to manufacture their own complete feed, Ridley is uniquely positioned to respond to this change. Producers rely on our species specialists for the technical advice and the micronutrient premixes required in a sophisticated nutrition program. Thus, complete feed sales volumes can be replaced by a revenue stream based on a broader package of value added products and services.

In the low-moisture block sector, Ridley is a market leader because of our high quality products and the resources expended on researching new applications and developing new products. This year was no exception. For the fourth consecutive year Global Positioning Satellite technology was used for analysing animal behaviour and influencing grazing patterns. Ridley's low moisture blocks have been shown to be one of the most effective tools for ensuring uniform and efficient use of pasture and grazing land, as well as protecting the health and diversity of areas critical for wildlife habitat. The latest two year study by Montana State University, which compared mineral supplementation via low moisture mineral blocks with dry, loose mineral supplementation also concluded the former were extremely cost-effective. We are also involved in a new four year, $US1 million study on range management being conducted by the US Department of Agriculture.

In pork production, a range of factors, including disease, have led to Ridley's losses in recent years. Price volatility has played a key role in these results, and 2003 will be no different. Notwithstanding this, the Cotswold product in North America is well positioned to compete, particularly since we are one of only two companies with disease free production systems of sufficient size to meet the stocking needs of large, integrated producers.

Future Outlook

In fiscal 2003, Ridley Inc will intensify its goal to establish our US Feed Operations as the industry leader in food safety and bio-security. Central to that goal is an initiative to see Hubbard become the first major US animal nutrition company to be HACCP certified by early fiscal 2004. In addition, we will implement a plan to aggressively expand our market share in the companion animal and equine markets to further diversify our exposure to the dynamics of the market segments we serve.

Our Canadian Feed Operations took a significant step towards accomplishing its goal of pursuing acquisitions that will provide the opportunity to rationalise capacity and operating costs. Subsequent to year end, it acquired Shamrock Feeds in Saskatoon, Saskatchewan. Shamrock Feeds has the capability to manufacture premixes, base mixes and complete feeds, and we plan to integrate our current Saskatoon facility into the Shamrock location.

Under normal market conditions, the remaining Cotswold Swine Genetics business in North America would be expected to yield positive earnings. However, the outlook for the pig market is currently unfavourable, and without significant improvement in prices is likely to result in modest losses in 2003. Regardless, the new management team's focus on lowering production costs, improving sales and executing a risk management plan, should contain losses.

Overall, Ridley Inc has put in place the key elements that will drive future growth. We expect the coming year to be challenging. But with our continued focus on controlling costs, streamlining operations, managing risks and improving sales, we expect it to be another year of strong performance.

Review of Operations
Ridley Australasia

Ridley's Australasian business comprises:

- Ridley AgriProducts, the largest animal nutrition business in Australia with major brands and 22 manufacturing sites across the country; and

- Cheetham Salt, Australia's largest producer and refiner of salt for the food and industrial market sectors. It operates 10 solar salt fields, which produce approximately 600,000 tonnes annually, and five refineries. The company distributes salt throughout Australia, Japan, South East Asia and the Pacific. Through Pt Cheetham Garam in Jakarta (100% owned), we currently supply 45,000 tonnes of refined salt to the Indonesian market. Cheetham Salt's associate companies include:

  – Salpak (49% owned), which distributes household table and cooking salt throughout Australia and the Pacific; and

  – Dominion Salt (50% owned), New Zealand's major salt producer and refiner.

Ridley AgriProducts

AgriProducts achieved a 29% increase in earnings. The business underwent significant consolidation following its 2001 restructure, with the year being characterised by clarity of purpose and focus. This, together with an honest and open environment, has led to good cross functional teamwork, from the high quality senior management team now in place, down through every level of the organisation.

Manufacturing and freight performance improved, a Customer Partnership Program was launched to improve the business' position in the growing dairy market and a national quality management and complaints system was implemented. The benefits of AgriProducts' safety and environment systems, which now have a national focus, were realised with a pleasing 55% reduction in lost time injuries.

Tonnes sold in 2002 increased in virtually all sectors, with particularly strong growth recorded in poultry, dairy, aqua and beef feed.

The Victorian and South Australian bulk animal nutrition business, supported by a strong dairy market, performed well, despite being presented with a number of challenges during the year, including the loss of a major pig customer who moved to inhouse feed production. This loss was offset by combination of new customers and natural customer growth. In a very competitive market, bulk volume increased by 4%.

In Queensland and New South Wales, bulk business sales increased by 9%. This growth was mainly attributable to an increase in beef sales and, to a lesser degree, increases in poultry and pig sales, offsetting a decline in dairy. In these states the year was one of consolidation, with improved forecasting to allow for better coordination between market changes and raw material planning, and the continued development of our sales force, most particularly through the addition of several skilled territory managers.

Supplements sales volumes exceeded last year's tonnage by 10%. Sales of blocks and concentrates picked up towards the tail end of the year due to dry

Ridley's Australasian business comprises Ridley AgriProducts, Australia's largest animal nutrition business and Cheetham Salt, the country's largest producer and refiner of salt.

seasonal conditions. The dry conditions also contributed to the strong performance of our 50% owned Champion Liquid Feeds business.

Another of the year's significant performers was Aquafeeds, which achieved an exceptional turnaround, contributing positive earnings against historic losses. This emerging business' success is a result of identifying key customers and focusing on meeting their needs, improving product quality, as well as operational efficiencies, which reduced production costs. In addition, we consolidated our position in the Tasmanian salmon market, and continued to grow volumes in the barramundi market.

While there is no doubt that we can still achieve better performance in our mills, 2002 saw continued improvements in our manufacturing efficiencies. Mill throughput was significantly up on previous years: we are now producing 40 tonnes per hour more than two years ago. This has resulted in a saving of over 20,000 operating hours per year. A significant investment has been made in quality, particularly with the launch of the Customer Partnership Program and an awareness of quality,

Ridley Australasia Operations and Manufacturing Locations

CHEETHAM SALT	ISO Certification	HACCP Certification
1. Bowen, Queensland	✓	Not food grade manufacturing
2. Bajool, Queensland	✓	Scheduled for Dec 2002
3. Port Alma, Queensland	✓	Not food grade manufacturing
4. Salisbury, Queensland	✓	No manufacturing
5. Sydney, New South Wales	✓	No manufacturing
6. Wakool, New South Wales	✓	No manufacturing
7. Sea Lake, Victoria	✓	Not food grade manufacturing
8. Moolap, Victoria	✓	Not food grade manufacturing
9. Corio, Victoria	✓	Not food grade manufacturing
10. Lara, Victoria	✓	Not food grade manufacturing
11. Lochiel, South Australia	No manufacturing	Not food grade manufacturing
12. Price, South Australia	✓	✓
13. Kevin, South Australia	✓	Not food grade manufacturing
14. Esperance, Western Australia	✓	Planned for end 2003
15. Freemantle, Western Australia	No manufacturing	No manufacturing
16. Mt. Maunganui, New Zealand	✓	Agriquality dairy approved supplier
17. Lake Grassmere, New Zealand	✓	Agriquality dairy approved supplier

RIDLEY AGRIPRODUCTS		
18. Sydney, New South Wales	No manufacturing	No manufacturing
19. Mt. Gambier, South Australia	No manufacturing	No manufacturing
20. Adelaide, South Australia	No manufacturing	No manufacturing
21. Perth, Western Australia	No manufacturing	No manufacturing
22. Atherton, Queensland	✓	✓
23. Rockhampton, Queensland	✓	✓
24. Narangba, Queensland	✓	✓
25. Wacol, Queensland	✓	✓
26. Dalby, Queensland	✓	✓
27. Toowoomba, Queensland	✓	✓
28. Clifton, Queensland	✓	✓
29. Tamworth, New South Wales	✓	✓
30. Taree, New South Wales	✓	✓
31. Corowa, New South Wales	✓	✓
32. Cohuna, Victoria	✓	✓
33. St. Arnaud, Victoria	✓	✓
34. Mooroopna, Victoria	✓	✓
35. Bendigo, Victoria	✓	✓
36. Maffra, Victoria	✓	✓
37. Pakenham, Victoria	✓	✓
38. Dandenong, Victoria	✓	✓
39. Terang, Victoria	✓	✓
40. Murray Bridge, South Australia	✓	✓
41. Wasleys, South Australia	✓	✓
42. Northam, Western Australia	✓	End 2002
43. Wondai, Queensland	✓	✓

Why Ridley?

4

We have highly qualified specialists in all our businesses. This enables us to provide continual innovation and solutions for the benefit of our customers.

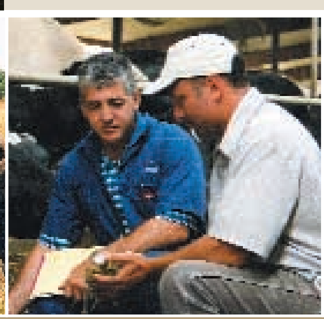
Robert Parkes and Alex Chang

National Quality Systems Manager, AgriProducts and
Technical Services Manager – Formulation & Poultry, AgriProducts

A key attribute of Ridley's success, as with any company, lies in the intellectual capital of our people. Interacting with our customers and supporting the development of our products are 28 employees who hold doctorates in a range of disciplines and many other highly qualified specialists.

The combination of the latest research and development in animal sciences with our knowledge of modern livestock management practices and efficient manufacturing processes is a powerful one. For our customers, this provides a menu of services, from cost-effective, science-based nutrition products and programs to technical advice from species specialists. For Ridley, the ability to continually innovate and develop, where possible, proprietary technology helps us maintain close customer relationships, as well as positioning the company in the top tier of animal nutrition companies in both North America and Australia.

Since entering the North American animal nutrition market in June 1994, we have grown our revenues from less than $100 million to over $800 million today. Despite this successful growth, we continue to focus on improving our performance in service, product quality delivery; and are improving linkages across our nutrition businesses so that we can draw on each other's skill base, leverage untapped synergies and uncover the opportunities for coordination between nutrition and genetics. All these activities will strengthen each individual business and the company as a whole.

safety and the environment is characterising the way we work.

A rationalisation of our bulk and packaged products sales forces was initiated this year, leading to a more efficient and better utilised sales team. The equine business successfully released several new products. This is consistent with our intention to build a presence in this performance feed market by leveraging off the strong brands and market presence we already have in the companion animal sector.

Economic and Market Environment

The boost in sales volumes, despite the loss of a major customer and higher raw materials costs, particularly in the second part of the year, was aided by strong market prices in dairy, pig and beef.

Sixty five percent of Australia's dairy industry is in Victoria. Our mills are located in prime dairy areas and we were able to capitalise on the strong growth in the industry. In Queensland we had the benefit of record beef prices on the back of very dry conditions and therefore more demand for feed.

Dry conditions in Queensland and New South Wales towards the end of the year also helped our supplements business. Pig prices were strong throughout the majority of the year, allowing virtually all pork producers to make reasonable rates of return. Chicken meat prices remained solid for most of the year. Following a long term tradition of consolidation, the poultry industry tends to be a low margin business, but it requires high volumes of feed and experiences natural growth. We are aligned mainly with second tier players, most of whom are experiencing strong growth.

Competitive Environment

Regulation, driven by increasing consumer demand for food safety assurance, continues to put pressure on all livestock industries. This pressure inevitably flows back to the feed business. AgriProducts, in line with our North American businesses, sees this as an opportunity to widen the gap between Ridley and its existing competitors, as well as raising the barriers to entry in the feed industry.

Cheetham Salt

Cheetham Salt continued to perform consistently and in line with our internal expectations. Our salt business EBIT was $20.4 million, compared with last year's $19.7 million. The result was driven by an improvement in our domestic business, together with a shift in volumes from bulk exports to domestic sales.

Cheetham's salt fields are located at Bajool, Port Alma and Bowen in Queensland; Lochiel, Price and Kevin in South Australia; Wakool in New South Wales; and Sea Lake, Moolap and Lara in Victoria. Together, they produced 560,000 tonnes. A trial harvest of 16,000 tonnes was completed at Wakool, New South Wales, in May this year. This is one of Australia's largest and most successful salinity control programs. It has ensured the continued viability of rice growing in the region. The harvest was undertaken to allow quality improvement trial work to progress. Additional studies are being conducted in conjunction with the CSIRO to improve the quality of salt produced at the site.

Manufactured product sales volumes for the full year were 6% above last year. Together with the volume increases, margins improved despite reasonably strong competition at the lower quality end of the market. The sales improvements were evenly spread across Australia with the strongest growth experienced in Queensland.

Australian bulk salt sales grew by 8%, while refined salt export product volume increased by 4%. Sales to Japan and the Pacific

Left to right:
Technical Consultant Dr Allan Stateler (right) with a customer.
Dairy Technical Consultant Dr Paul Windschitl (left) advises a customer.
Dr Mark Farmer, Poultry Technical Consultant.
Dr Joe Hahn, Swine Research Manager.
Tracy Knights, Poultry Nutrionist
Mark Johnson, Swine Project Team Manager and Jack Christensen, Dealer Business Manager.

also increased. In April 2002 Japan reduced its import restrictions on imported salt and Cheetham is well placed to take advantage of this opportunity.

Export bulk sales volume for the year was lower than last year as low margin sales to Asia declined. Producers in Western Australian have recovered from the salt shortage problems experienced last year, closing off the opportunistic Asian sales we have enjoyed over the last two years. This was a low margin business and not a focus of our operations.

Retail salt sales for the full year were 7% above last year's tonnages due to growth in both branded and generic businesses.

Commercial chemicals sales for the full year were 6% above last year tonnages, with sales of magnesium chloride brine for dust suppression purposes remaining strong.

In Indonesia, Pt Cheetham Garam continues to focus both on maintaining the market presence the business has established so far; and on supplying higher value added products to customers. The installation of a retail pack line earlier this year has enabled the company to supply product into the high value retail market. We have been and will continue to actively pursue potential retail and processed food customers.

Associated Entities

Cheetham Salt's associated entities produced another strong year.

Dominion Salt, our 50% owned New Zealand salt producer and refiner, performed well due to a strong sales performance, low crude salt costs as a result of the record 2001 harvest, and the fact that Dominion has regained its previous market position, following a period of strong competition.

Salpak, our 49% owned Australian consumer salt arm, showed continued modest growth of branded product sales and an increased share of private label and generic business.

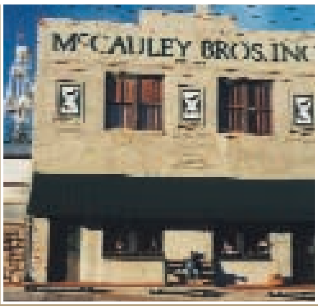
Future Outlook

In the year ahead Ridley AgriProducts will continue the work that has been ongoing for the past 18 months. The absolute focus is to provide consistent earnings, combined with an ongoing improvement in the return on funds employed in the business. A review of logistics and production scheduling, which was completed in late 2002, promises to deliver further cost savings and production efficiencies.

The coming year will also see an increased emphasis on our aquafeeds, equine and supplements businesses. This will incur some additional costs through an increase in headcount, but in line with the commitment to drive value, returns from such initiatives are expected to have a quick payback. The outlook for raw materials costs, in particular wheat and other grains, is likely to impact working capital and this will require close management.

The scale of Ridley AgriProducts means it is increasingly well placed to take advantage of a marketplace where the barriers to entry, particularly in terms of quality control, nutritional development and insurance costs, differentiate us further from our competitors.

Cheetham Salt's profitability is highly correlated to changes in GDP. With major customers in both the food and chemical sectors domestically, it is expected that it will experience continued steady growth from its core business. Notwithstanding this, significant effort will be dedicated during the next 12 months to finding other avenues of growth for the business.



Left to right:

The newly acquired equine feed business, McCauley Bros.

Bob Frost, Vice President, Ridley Block Operations.

Ridley Feed Ingredients' Mendota plant in Illinois

Why Ridley?

5

The diversity of our product range and customer base across the countries in which we operate significantly reduces the potential negative impacts of adverse changes in economic conditions, animal diseases and commodity price fluctuations.

Steve VanRoekel

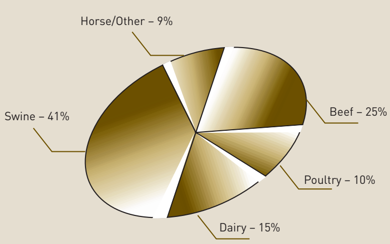
Vice President, General Manager, US Feed Operations

Diversity provides a strategic and competitive advantage in a number of important ways. In relation to species and geography, production agriculture tends to be cyclical, with its fortunes effected by regulation, legislation, supply/demand dynamics and climate. Demand for feed obviously follows, but geographic and species diversity helps offset potential negative impacts.

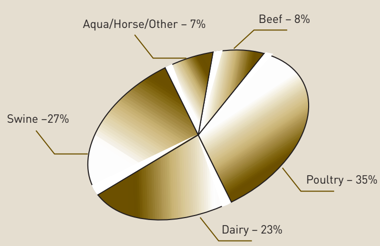
In distribution, we supply a wide range of channel capabilities: in the US alone, we supply 3,000 independent dealers. We also sell to distributors, as well as large integrated producers. Since distribution dynamics change over time, being positioned to service the right channel helps us adapt to these changes.

With regard to customers, our customer base in the US, Canada and Australia is spread over a number of animal species. This reduces Ridley's reliance on any one market segment.

Finally, in relation to product, the majority of Ridley's facilities are adaptable to changes in product type, as customer needs change. In addition, we are continuing to expand beyond the feed markets for milk, meat and egg production. In Australia, our Aquafeeds facility is now a profitable supplier to the aquaculture industry; and our recent investment in a well established equine feed business in Kentucky, USA are both examples of the way in which we will continue to develop the company into the future.



Ridley Inc – Species Percent of Total Sales



Ridley AgriProducts – Species Percent of Total Sales

Board of Directors

John S Keniry

BSc, PHD, FTSE, FRACI, FAICD
Chairman, Age 59

A director of the company since 1990 and Chairman since March 1994, John formerly held executive positions with CSR and Goodman Fielder and is the immediate past President of the Australian Chamber of Commerce and Industry. He is presently Chairman of the National Registration Authority for Agricultural and Veterinary Chemicals, Sugar Australia and Unisearch and a director of a number of other companies and statutory bodies.

Matthew Bickford-Smith

CEO, Managing Director, Age 42

Matthew joined Ridley Corporation Limited in November 2000. In his previous position as the Man Group's Australian Managing Director, he was responsible for the negotiation and implementation of a three-way merger within the domestic refined sugar industry. Before moving to Australia he was based in Hong Kong with responsibility for managing risk relating to the Man Group's sugar businesses within the region. He joined the Man Group in 1991 as the sugar division's business development manager where he gained experience assessing business opportunities in South East Asia, South America and Eastern Europe. Prior to joining the Man Group, Matthew spent five years with Phibro, the commodity trading division of Salomon Brothers where he worked in several soft commodity divisions with the main focus being proprietary trading, structured financing and marketing.

Elizabeth B Bryan

BA, MA(Econ), MAICD
Non-Executive Director, Age 55

A director of the company since September 2001, Elizabeth has more than 20 years of executive experience in the financial services industry and on the boards of companies and statutory organisations. Elizabeth is presently a director of Caltex Australia, Western Metals, UniSuper, Guild Insurance and Financial Services, and member of the Advisory Board to CSFB.

Top to bottom:

John Keniry, Matthew Bickford-Smith, Elizabeth Bryan, Richard Lee, Robert Lotze, Donald McGauchie, Andrew Vizard

Richard J Lee

BEng (Chem) (Hons), MA (Oxon), FAICD
Non-Executive Director, Age 52

A director of the company since September 2001, Richard retired from executive duties with the N.M. Rothschild Australia Group in May 2001 after 15 years service, the last seven as Chief Executive. He held various senior management and board positions with Rothschild in Australia and internationally, primarily associated with the Group's extensive activities in the gold and natural resources sector. Prior to joining Rothschild, Richard spent 16 years in the sugar division of CSR. His principal responsibilities there related to the marketing and financing of Australian raw sugar production and policy matters relating to the international sugar trade and the Australian domestic sugar market. Richard is Chairman of Salmat and Rothschild affiliate Golden West Refining, a director of SEES and an Advisory Board director of ICI South Pacific.

Robert J Lotze

FCA, MAICD
Non-Executive Director, Age 61

A director of the company since May 1998, Robert was a partner in a large accounting firm for more than 25 years and has a background in accounting, auditing, financial analysis and corporate governance. He is Chairman of the audit committee and a policy comittee member of the Ridley Superannuation Plan.

Donald G McGauchie

Non-Executive Director, Age 52

Donald has been a director since December 1998. A Senior Partner with C&E McGauchie Terrick West, Donald is a director of the Reserve Bank of Australia, Telstra, the Australian Centre for International Agricultural Research and National Foods. He is Deputy Chairman of the Australian Wool Testing Authority, GrainCorp and the International Policy Council Agricultural Food and Trade.

Andrew L Vizard

BVSc (Hons), MPVM
Non-Executive Director, Age 44

A director of the company since January 2001, Andrew is Senior Consultant of the Mackinnon Project at the University of Melbourne. The Mackinnon Project undertakes research, consultancy and educational services to Australian farmers. It is recognised as a world leader in delivering practical advice to farmers on a wide range of issues, from breeding programs to nutritional management of stock. Andrew is the author of over 50 scientific papers on agricultural production. He is currently Chairman of Vital Capital and a Board member of the Zoological Parks and Gardens of Victoria. He also sits on scientific advisory boards for The Hermon Slade Foundations and helps manage his family's fine wool stud near Geelong.

BOARD OF DIRECTORS

The Board is responsible for the overall governance of the company, including setting the strategic direction, establishing goals for management and monitoring the achievement of these goals. Director's are accountable to shareholders for the company's performance. The management of the business is delegated to the Managing Director, as designated by the Board, which has defined the limits of management responsibility. The Board has established a number of Board committees to assist in the execution of its responsibilities including an Audit Committee and Emoluments Committee. The roles of all Board committees are documented in a Corporate Policy which is approved by the Board of Directors. The Board has also established a framework for the management of the company including a system of internal control, a business risk management process and the establishment of appropriate ethical standards.

COMPOSITION OF THE BOARD

The names, profiles and qualifications of the directors in office at the date of this statement are set out on pages 24 and 25 of this Annual Report.

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

- The Board should comprise directors with a broad range of expertise both nationally and internationally.
- The Board should comprise a minimum of six directors. This number may be increased where it is felt that additional expertise is required in specific areas.
- The Chairman of the Board will be a non-executive director.
- The Board will comprise a majority of non-executive directors.

The composition of the Board is continually under review by all directors to ensure that the Board has the appropriate mix of expertise and experience. When a vacancy exists, through whatever cause, or where it is considered that the Board would benefit from the services of a new director with particular skills, directors are asked to nominate suitable candidates with the appropriate expertise and experience. Potential candidates are reviewed by the Board with advice from an external consultant if necessary. The Board then appoints the most suitable candidate who must stand for election at the next general meeting of shareholders.

The Constitution of the company requires one third of the directors, with the exception of the Managing Director, to retire from office at the AGM each year. Retiring directors are eligible for re-election. When a vacancy is filled by the Board during the year, the new director must stand for election at the next AGM.

REMUNERATION OF DIRECTORS

Non-executive directors fees are determined by the full Board within the aggregate of $400,000 approved by the shareholders at the AGM in 1996. Details of remuneration of directors during 2002 are set out in the Directors' Report. On leaving the Board and depending upon their length of service, non-executive directors are entitled a retiring allowance of up to a maximum three years fees, less compulsory superannuation payments made.

BOARD MEETINGS

Board and committee agendas are structured throughout the year to review company strategy and to give the Board a detailed overview of the performance and significant issues confronting each business unit and to identify major risk elements. The number of meetings held and the attendance details are set out in the Directors' Report (page 34).

Directors receive detailed financial and operational reports from senior management during the year and management is available to discuss the reports with the Board. The Board also visits and holds some meetings at the company's principal operating sites to enable directors to meet with employees and customers.

INDEPENDENT PROFESSIONAL ADVICE

Each director has the right to seek independent professional advice at the company's expense. However, prior approval of the Chairman is required, which is not unreasonably withheld.

EMOLUMENTS COMMITTEE

The role of the Emoluments Committee is to review and make recommendations to the Board on remuneration packages and policies applicable to the Managing Director, senior executives and directors themselves. This role also includes responsibility for share option schemes, Employee Share Scheme, incentive performance packages, superannuation entitlements, retirement and termination entitlements and fringe benefits policies.

The members of the Emoluments Committee during the year were:
J S Keniry
D G McGauchie
M P Bickford-Smith

The Emoluments Committee meets twice a year and as required. Further details of director's remuneration, superannuation and retirement payments are set out in Notes 35, 37 and 38 to the financial statements.

AUDIT COMMITTEE

Board policy states that all members of the Audit Committee must be non-executive directors. The role of the Committee is to advise on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the company and to review the performance and work of the external auditors.

The Committee makes recommendations to the Board on the appointment and remuneration of the external auditor including an annual review of their work and performance. The Committee meets with the external auditor four times a year to discuss matters relevant to their terms of engagement and review any significant disagreements between management and the auditor. In addition, the Committee meets with the auditor annually without the presence of management. The Committee reviews the level of non-audit services provided by the external auditor and ensures it does not adversely impact on the auditors' independence. The auditor also provides the Committee with written confirmation of their professional independence.

The Committee also gives the Board additional assurance regarding the quality and reliability of financial information prepared for use by the Board in determining policies or for inclusion in the financial statements.

The members of the Audit Committee during the year were:

R J Lotze	Chairman
M J Edgar	Retired 31 May 2002
E B Bryan	Appointed 7 September 2001
R J Lee	Appointed 24 June 2002

RISK MANAGEMENT

The company has in place a number of arrangements intended to identify and manage areas of significant business risk. These include the maintenance of Board committees, detailed and regular budgetary financial and management reporting, established organisational structures, procedures, manuals and policies, audits (including internal and external, financial, safety and risk management audits), comprehensive insurance programs and the retention of specialised staff and external advisors. The company also has in place detailed policies and review processes covering commodities hedging, interest rate risk management and foreign exchange.

THE ENVIRONMENT

The company aims to ensure that the highest standard of environmental care is achieved and has in place various policies and procedures to ensure the company is aware of and is in compliance with all relevant environmental legislation.

DIRECTORS INDEMNITY

The company has entered into a Deed of Indemnity Insurance and Access (as approved at the 1998 AGM) with all directors of Ridley Corporation Limited and with all Group Executives appointed as directors of controlled entities. The company also has in place a Directors and Officers Insurance policy, covering all Directors and Officers of the company.

The liabilities insured against include costs and expenses that may be incurred in defending civil or criminal proceedings, that may be brought against the Directors and Officers while working in such capacity for the company.

ETHICAL STANDARDS

In pursuance of the promotion of high standards of Corporate Governance, the company has adopted various internal standards and policies which extend beyond requirements prescribed by law and include additional disclosure of interests by directors and guidelines relating to the dealing in securities by directors and managers. The company also has in place a formal Code of Conduct for adherence by all directors.

SECURITIES TRADING

All Directors and Officers are prohibited from buying or selling securities in the company from the last day in each financial half year until 2 days after the release to the ASX of the announcement by the company of its full year and half year results or when the individual is in possession of price sensitive information.

The directors submit the Statements of Financial Position at 30 June 2002, Statements of Financial Performance and Statements of Cash Flows for the year ended on that date for the Company and the consolidated entity and report as follows:

1. DIRECTORS

The directors of Ridley Corporation Limited at any time during or since the financial year are as follows:

J S Keniry
M P Bickford-Smith
E B Bryan (appointed 7 September 2001)
M J Edgar (retired 31 May 2002)
R J Lee (appointed 7 September 2001)
R J Lotze
D G McGauchie
A L Vizard

2. PRINCIPAL ACTIVITIES

The principal continuing activities of the consolidated entity during the year were stockfeed milling and marketing, production of crude salt, salt refining and marketing, swine genetics and production and the provision of rural products and services.

3. RESULTS

	2002 $000	2001 $000
Profit from ordinary activities before significant items and income tax	59,315	47,830
Income tax	20,720	17,831
Operating profit of the consolidated entity before significant items	38,595	29,999
Profit attributable to outside equity interests	6,400	5,501
Profit attributable to members of Ridley Corporation Limited before significant items	32,195	24,498
Significant items net of tax and outside equity interests	–	(12,406)
Profit attributable to members of Ridley Corporation Limited	32,195	12,092

4. REVIEW OF OPERATIONS/SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

A review of:

(i) operations and financial matters including significant changes in the state of affairs;

(ii) the results of those operations; and

(iii) likely developments

are set out elsewhere in the Annual Report.

5. DERIVATIVES

The consolidated entity is exposed to changes in interest rates, foreign exchange rates and commodity prices from its activities. It is Company policy to use derivative financial instruments where appropriate to fully or partially hedge these risks and not to enter, hold or issue derivative financial instruments for speculative purposes.

6. DIVIDENDS

Details of dividends paid or proposed to be paid out of profits of the Company are as follows:

(i) An interim, fully franked at 30% (2001: 34%), dividend of 2.00 cents (2001: 2.00 cents) per fully paid ordinary share, totalling $4,831,000 (2001: $4,783,000) was paid on 12 April 2002.

(ii) A final, fully franked at 30%, dividend of 2.50 cents (2001: 2.00 cents) per fully paid ordinary share, totalling $6,630,000 (2001: $4,810,000) has been declared by directors payable on 29 October 2002.

7. ENVIRONMENTAL REGULATION

Ridley has environmental and risk management reporting processes which provide senior management and the directors with monthly reports on environmental matters, including rectification of any issues as discovered. The directors are not aware of any environmental matters likely to have a material financial impact.

In accordance with its environmental policy and associated procedures Ridley is in the process of undertaking an environmental compliance review of all of its operations using external accredited environmental auditors. No significant non-compliance issues have been determined.

8. DIRECTORS' AND EXECUTIVES' EMOLUMENTS

The Emoluments Committee, consisting of two non-executive directors and the Managing Director, advises the Board on remuneration policies and practices generally, and makes specific recommendations on remuneration packages and other terms of employment for executive directors, other senior executives and non-executive directors.

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. As well as a base salary, remuneration packages include superannuation, retirement and termination entitlements, performance-related bonuses and fringe benefits. Executives are also eligible to participate in the Company's option and employee share plans.

Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the consolidated entity's diverse operations.

Remuneration of non-executive directors is determined by the Board within the maximum amount approved by the shareholders from time to time. Non-executive directors are also entitled to retirement benefits as set out in the constitution of the Company.

Bonuses are available to executives depending on the consolidated entity's and executive's performance based on pre-determined criteria. Bonuses are not payable to non-executive directors.

8. DIRECTORS' AND EXECUTIVES' EMOLUMENTS (CONTINUED)

Details of the nature and amount of each element of the emoluments for directors of Ridley Corporation Limited and the five officers of the Company and the consolidated entity receiving the highest emoluments are set out in the following tables:

DIRECTORS OF RIDLEY CORPORATION LIMITED

NAME	BASE SALARY $	BONUS $	DIRECTORS' FEES RIDLEY CORP. $	DIRECTORS' FEES RIDLEY INC. $	SUPER $	OTHER BENEFITS $	TOTAL $
J S Keniry Chairman	–	–	100,000	59,259	8,000	–	167,259
M P Bickford-Smith Managing Director	435,523	132,000	–	–	31,631	34,202	633,356
E B Bryan	–	–	42,200	–	3,376	–	45,576
M J Edgar	–	–	45,667	–	3,653	110,980*	160,300
R J Lee	–	–	42,200	–	3,376	–	45,576
R J Lotze	–	–	50,000	–	4,000	–	54,000
D G McGauchie	–	–	50,000	–	4,000	–	54,000
A L Vizard	–	–	50,000	–	4,000	–	54,000

* Includes retirement benefits paid in accordance with the Corporations Act 2001

Shares, convertible notes and options held by the directors are disclosed on page 64 of the Annual Report.

OTHER EXECUTIVES AND OFFICERS OF RIDLEY CORPORATION LIMITED

NAME	BASE SALARY $	MOTOR VEHICLE $	BONUS $	SUPER $	OTHER BENEFITS $	TOTAL $
I Wilton Chief Financial Officer	290,769	18,160	60,520	31,631	6,184	407,264
W J Poynton Managing Director & CEO Ridley Australasia	266,469	25,306	35,000	52,411	953	380,139
J L Pearce Group Risk Manager	211,600	–	28,000	8,400	–	248,000
C J Priestley Company Secretary	163,450	16,287	6,200	32,241	5,479	223,657
M R Manson Chief Financial Officer Ridley Australasia	170,918	4,634	–	13,225	133	188,910

8. DIRECTORS' AND EXECUTIVES' EMOLUMENTS (CONTINUED)

OTHER EXECUTIVES OF THE CONSOLIDATED ENTITY

NAME	BASE SALARY $	MOTOR VEHICLE $	BONUS $	SUPER $	OTHER BENEFITS $	TOTAL $
J S McKee Former Chief Operations Officer Cotswold International	217,071	9,374	27,114	27,864	635,920*	917,343
R B Gallaway President & Chief Executive Officer Ridley Inc.	581,008	11,680	171,106	38,986	14,749	817,529
R C Joseph Former Manager UK Operations Cotswold Pig Development Co	216,427	15,726	–	28,163	452,529*	712,845
M Mitchell Chief Financial Officer Ridley Inc.	294,377	12,900	75,919	32,893	12,250	428,339
I Wilton Chief Financial Officer Ridley Corporation Limited	290,769	18,160	60,520	31,631	6,184	407,264

* Includes termination benefits

"Other Executives" are officers who are involved in, concerned in, or who take part in, the management of the affairs of Ridley Corporation Limited and/or related bodies corporate.

Information on options issued as part of the remuneration of directors of Ridley Corporation Limited and each of the five officers of the Company and the consolidated entity receiving the highest emoluments are set out below.

SHARES AND SHARE OPTIONS GRANTED TO DIRECTORS AND MOST HIGHLY REMUNERATED OFFICERS

Options over unissued shares of Ridley Corporation Limited and controlled entities granted during or since the end of the financial year to any of the directors or the five most highly remunerated officers of the Company and consolidated entity as part of their remuneration were as follows:

	PARENT ENTITY OPTION ISSUED
Directors	
M P Bickford-Smith Managing Director	500,000
Other Executives of Ridley Corporation Limited	
W J Poynton Managing Director & CEO Ridley Australasia	250,000
I Wilton Chief Financial Officer	275,000
J L Pearce Group Risk Manager	200,000
M R Manson Chief Financial Officer Ridley Australasia	200,000

8. DIRECTORS' AND EXECUTIVES' EMOLUMENTS (CONTINUED)

OPTIONS IN RIDLEY CORPORATION LIMITED

	EXERCISE PRICE $	VALUE $	NUMBER	VALUE $
Directors				
M P Bickford-Smith*	0.96	0.428	500,000	214,000
Executives				
M R Manson	1.40 (avg)	0.341 (avg)	200,000	68,200
J L Pearce*	0.72	0.235	200,000	47,000
W J Poynton*	0.89	0.259	250,000	64,750
I Wilton*	0.72	0.235	275,000	64,625

* Issued prior to February 2002

The amounts disclosed above for remuneration relating to options are assessed values of options granted to directors and executives during the year ended 30 June 2002. Fair values have been assessed using the Black-Scholes option pricing model. The Black-Scholes option pricing model is the accepted methodology for valuing options. The calculation was performed by a third party. Factors taken into account by the Black-Scholes option pricing model include the exercise price, the term of the option, the current price and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. Further details on the options are set out in note 35 of the financial report.

9. SHARE OPTIONS

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

	NUMBER	EXPIRY DATE
Ridley Corporation Limited – Incentive Option Plan	4,050,000	Various
Ridley Inc. – Stock Option Plan	750,900	Various

No option holder has any right under the options to participate in any other share issue of the Company or of any other entity.

Options are issued to senior executives of Ridley Corporation Limited under the Incentive Option Plan.

Offers made under the plan are subject to certain performance criteria being satisfied as set out below. If these criteria are not satisfied the options lapse. No money is paid to the Company until the option is exercised. The options have a maximum duration of five years and lapse if not exercised within five years from the date of grant, or within one month of leaving the consolidated entity. The options can only be exercised after a minimum of two years from the date of grant with certain minor exceptions.

The exercise price of options issued prior to February 2002 is the weighted average price over the five trading days on the Australian Stock Exchange (ASX) prior to the date of grant.

The performance criteria for these options requires an average return on shareholders' funds of 10% over the two-year period ending 30 June following the date of grant. In addition, the rate of growth of the Ridley Accumulation Index from the date of grant of the options to the first date of exercise must equal or exceed the Accumulation Index for the same period of the All Industrials (less Banks and Financial Institutions).

9. SHARE OPTIONS (CONTINUED)

The exercise price for options issued from February 2002 onwards is the weighted average price over the five trading days on the ASX prior to the date of grant, multiplied by 5% annual compound growth at the second, third and fourth anniversary of the date of issue. The movement in the share price constitutes the performance criteria for these options to be exercised.

Details of options outstanding and shares issued during the year are set out in notes 26 and 35 of the financial 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 may be inspected free of charge.

10. INFORMATION ON DIRECTORS

Particulars of shares, options and convertible notes held by directors in the Company together with a profile of the directors are set out on pages 64, 24 and 25 in the Annual Report.

11. MEETINGS OF DIRECTORS

	BOARD		AUDIT COMMITTEE		DUE DILIGENCE COMMITTEE		EMOLUMENTS COMMITTEE	
	MEETINGS HELD WHILE A MEMBER	MEETINGS ATTENDED	MEETINGS HELD WHILE A MEMBER	MEETINGS ATTENDED	MEETINGS HELD WHILE A MEMBER	MEETINGS ATTENDED	MEETINGS HELD WHILE A MEMBER	MEETINGS ATTENDED
M P Bickford-Smith	11	11	–	–	2	2	3	3
E B Bryan	9	9	3	3	–	–	–	–
M J Edgar (retired)	10	10	4	4	–	–	–	–
J S Keniry	11	11	–	–	2	2	3	3
R J Lee	9	8	–	–	–	–	–	–
R J Lotze	11	11	4	4	2	2	–	–
D G McGauchie	11	11	–	–	–	–	3	3
A L Vizard	11	11	–	–	–	–	–	–

12. POST BALANCE DATE EVENTS

No matters or circumstances have arisen since 30 June 2002 that have significantly affected, or may significantly affect:

(i) the consolidated entity's operations in future financial years; or

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

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

13. INSURANCE

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

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

The Deed requires the Company 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 following directors and secretary of Ridley Corporation Limited: J S Keniry, M P Bickford-Smith, E B Bryan, M J Edgar, R J Lee, R J Lotze, D G McGauchie, A L Vizard and C J Priestley.

14. ROUNDING OF AMOUNTS TO NEAREST THOUSAND DOLLARS

The Company is of a kind referred to in Class Order 98/0100 issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and the financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order or in certain cases to the nearest dollar.

15. AUDITOR

PricewaterhouseCoopers continues in office in accordance with section 327 of the Corporations Act 2001.

Signed at Sydney this 26th day of August 2002 in accordance with a resolution of the directors.

J S Keniry
Director

R J Lotze
Director

FINANCIAL STATEMENTS

for the year ended 30 June 2002

Contents

STATEMENTS OF FINANCIAL PERFORMANCE

for the year ended 30 June 2002

	NOTES	CONSOLIDATED 2002 $000	CONSOLIDATED 2001 $000	PARENT ENTITY 2002 $000	PARENT ENTITY 2001 $000
Revenues from sale of goods	2	1,408,284	1,378,790	–	–
Total Revenue		**1,408,284**	**1,378,790**	**–**	**–**
Cost of sales		1,193,905	1,163,010	–	–
Gross Profit		**214,379**	**215,780**	**–**	**–**
Other revenues from ordinary activities	2	14,755	13,992	28,779	25,776
Other expenses from ordinary activities					
Selling and distribution		(60,305)	(64,947)	–	–
Administration		(76,347)	(77,161)	(9,756)	(6,526)
Borrowing costs		(22,081)	(26,621)	(9,727)	(9,876)
Other		(15,439)	(34,530)	-	(164)
Share of net profits of associates	47	4,353	3,499	–	–
Profit from ordinary activities before income tax expense		**59,315**	**30,012**	**9,296**	**9,210**
Income tax expense/(benefit)	6	20,720	16,552	–	(211)
Profit from ordinary activities after income tax		**38,595**	**13,460**	**9,296**	**9,421**
Net profit attributable to outside equity interest		6,400	1,368	–	–
Net profit after income tax attributable to members of Ridley Corporation Limited		**32,195**	**12,092**	**9,296**	**9,421**
Net decrease in asset revaluation reserve	27	(3)	(302)	–	–
Net exchange differences on translation of financial reports of foreign controlled entities	27	(13,572)	14,995	–	–
Adjustment resulting from a change in accounting policy over the valuation of livestock	28	–	213	–	–
Total revenues, expenses and valuation adjustments attributable to members of Ridley Corporation Limited recognised directly in equity		**(13,575)**	**14,906**	**–**	**–**
Total changes in equity other than those resulting from transaction with the owners as owners	30	**18,620**	**26,998**	**9,296**	**9,421**
Basic earnings per share	44	13.1c	5.0c		
Diluted earnings per share	44	12.9c	5.0c		

The above Statements of Financial Performance should be read in conjunction with the accompanying notes.

STATEMENTS OF FINANCIAL POSITION

as at 30 June 2002

	NOTES	CONSOLIDATED 2002 $000	CONSOLIDATED 2001 $000	PARENT ENTITY 2002 $000	PARENT ENTITY 2001 $000
Current Assets					
Cash		19,056	18,367	6	4
Receivables	8	135,559	145,990	163	338
Inventories	9	116,075	125,652	–	–
Other	10	4,936	5,329	37	710
Total Current Assets		**275,626**	**295,338**	**206**	**1,052**
Non-Current Assets					
Receivables	11	26,848	31,530	204,345	221,686
Livestock	12	3,364	4,984	–	–
Investments accounted for using the equity method	47	46,541	47,456	–	–
Other financial assets	13	1,539	3,072	106,392	106,392
Property, plant and equipment	14	337,725	365,754	4,983	4,927
Goodwill	15	64,054	74,040	–	–
Deferred tax assets	16	4,152	5,011	775	674
Other	17	6,422	2,230	2,089	559
Total Non-Current Assets		**490,645**	**534,077**	**318,584**	**334,238**
Total Assets		**766,271**	**829,415**	**318,790**	**335,290**
Current Liabilities					
Accounts payable	18	143,300	137,815	2,488	1,173
Interest bearing liabilities	19	63,415	19,061	43,016	177
Current tax liabilities	20	597	165	–	–
Provisions	21	16,612	14,588	6,958	5,060
Total Current Liabilities		**223,924**	**171,629**	**52,462**	**6,410**
Non-Current Liabilities					
Accounts payable	22	457	460	306	460
Interest bearing liabilities	23	148,615	291,688	54,000	130,764
Deferred tax liabilities	24	30,616	28,328	–	–
Provisions	25	10,958	10,889	163	152
Total Non-Current Liabilities		**190,646**	**331,365**	**54,469**	**131,376**
Total Liabilities		**414,570**	**502,994**	**106,931**	**137,786**
Net Assets		**351,701**	**326,421**	**211,859**	**197,504**
Shareholders' Equity					
Parent entity interest					
Contributed equity	26	192,336	175,816	192,336	175,816
Reserves	27	99,905	113,480	14,051	14,051
Retained profits/(accumulated losses)	28	10,690	(9,842)	5,472	7,637
Total Parent Entity Interest		**302,931**	**279,454**	**211,859**	**197,504**
Outside equity interests in controlled entities	29	48,770	46,967	–	–
Total Shareholders' Equity	30	**351,701**	**326,421**	**211,859**	**197,504**

The above Statements of Financial Position should be read in conjunction with the accompanying notes.

STATEMENTS OF CASH FLOWS

for the year ended 30 June 2002

	CONSOLIDATED		PARENT ENTITY	
	2002 $000 INFLOWS (OUTFLOWS)	2001 $000 INFLOWS (OUTFLOWS)	2002 $000 INFLOWS (OUTFLOWS)	2001 $000 INFLOWS (OUTFLOWS)
Cash flows from operating activities				
Receipts from customers	1,673,446	1,381,794	8,206	8,436
Payments to suppliers and employees	(1,563,669)	(1,295,622)	(10,684)	(6,123)
Dividends received	5,785	4,129	9,870	9,245
Interest received	4,207	4,984	10,490	7,758
Interest and other costs of finance paid	(26,723)	(27,417)	(7,706)	(9,251)
Income taxes paid	(10,193)	(7,246)	(118)	(369)
Net cash inflow from operating activities (note 41(i))	**82,853**	**60,622**	**10,058**	**9,696**
Cash flows from investing activities				
Payments for businesses net of cash acquired (note 45)	(1,852)	–	–	–
Proceeds from sale of business (note 5)	433	–	–	–
Payments for property, plant and equipment	(13,533)	(12,947)	(290)	(691)
Payments for investments	–	(890)	–	–
Proceeds from sale of non-current assets	7,985	6,061	79	132
Other	–	9	–	(3)
Repayment of customer loans	5,338	6,520	–	–
Loans to controlled entities	–	–	17,513	(1,177)
Purchase shares in controlled entity	–	(1,688)	–	(1,688)
Net cash inflow/(outflow) from investing activities	**(1,629)**	**(2,935)**	**17,302**	**(3,427)**
Cash flows from financing activities				
Proceeds from issue of shares:				
Shareholder options	14,987	–	14,987	–
Employee Share Scheme	49	–	49	–
Ridley Inc.	587	–	–	–
Proceeds from borrowings	–	–	–	6,000
Repayment of borrowings	(73,262)	(46,885)	(21,000)	–
Dividends paid – parent entity	(8,343)	(8,367)	(8,343)	(8,367)
Repurchase of convertible notes	(14,091)	(3,750)	(14,091)	(3,750)
Net cash outflow from financing activities	**(80,073)**	**(59,002)**	**(28,398)**	**(6,117)**
Net increase/(decrease) in cash held	**1,151**	**(1,315)**	**(1,038)**	**152**
Cash at the beginning of the financial year	**18,367**	**18,736**	**(173)**	**(325)**
Effects of exchange rate variations on cash	**(462)**	**946**	**–**	**–**
Cash at the end of the financial year (note 41(ii))	**19,056**	**18,367**	**(1,211)**	**(173)**

Non-cash financing and investing activities (note 42)

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

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This general purpose financial report has been prepared in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views and the Corporations Act 2001.

It is prepared in accordance with the historical cost convention, except for livestock (identified as self-generating and regenerating assets) which are valued at net market value and other assets which, as noted, are at valuation. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Ridley Corporation Limited ("Company" or "parent entity") as at 30 June 2002 and the results of all controlled entities for the year then ended. Ridley Corporation Limited and its controlled entities together are referred to in this financial report as the consolidated entity. The effects of all transactions between entities are eliminated in full. Where control of a controlled entity is obtained during a financial year, its results are included in the consolidated statement of financial performance from the date on which control commenced. Outside equity interests in the results and equity of controlled entities are shown separately in the consolidated statement of financial performance and statement of financial position respectively. Where control of a controlled entity ceases during a financial year its results are included for that part of the year during which control existed.

Investments in associates are accounted for in the consolidated financial statements using the equity method. Under this method, the consolidated entity's share of profits or losses of associates are recognised in the consolidated statement of financial performance and its share of movements in reserves is recognised in consolidated reserves. Associates are those entities over which the consolidated entity exercises significant influence, but not control.

DEPRECIATION

Depreciation of property, plant and equipment, excluding land, has been calculated having regard to the expected useful life of the relevant item using reducing balance or straight-line methods as appropriate. Estimates of remaining useful lives are made on a regular basis for all assets.

The expected useful lives are as follows:	Buildings	40 years
	Plant and Equipment	3 to 30 years

Major spares purchased specifically for particular plant are capitalised and depreciated on the same basis as the plant to which they relate.

GOODWILL

Goodwill is amortised using the straight-line method over periods during which future benefits are expected to arise. The period of amortisation does not exceed twenty years.

DEFERRED EXPENDITURE

Cost incurred in establishing finance facilities are deferred to future periods to the extent that future benefits are expected to arise. Deferred costs are amortised on a straight-line basis over the period of the expected benefit, four years.

INVENTORIES

Inventories, other than livestock, have been valued at the lower of cost and net realisable value. Costs are principally determined on the first in, first out and weighted average cost methods. Where appropriate the cost of finished goods includes applicable fixed and variable overheads.

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

LIVESTOCK

Livestock is accounted for in accordance with AASB 1037 Self Generating and Regenerating Assets. This accounting standard requires that livestock held for resale to be valued at net market value, with changes in market value, both realised and unrealised, recognised as revenue in the Statements of Financial Performance. Costs of maintaining the livestock are recognised as expenses as they are incurred.

Livestock held as current inventory have been valued at net market value. Where a liquid and active market price was not available average sales values have been used. Breeding stock held as non-current assets have been valued at cost and amortised over the useful life of the livestock, as no reliable indicator of market value is available.

INCOME TAX

Tax effect accounting procedures are followed whereby the income tax expense in the statement of financial performance is matched with the accounting profit after allowing for permanent differences. Income tax on net cumulative timing differences is set aside to the future tax benefit or the deferred income tax liability accounts at the rates which are expected to apply when those timing differences reverse. The future tax benefit relating to tax losses is not carried forward as an asset unless the benefit is virtually certain of realisation.

FOREIGN CURRENCY TRANSLATION

(i) **Transactions**
Foreign currency transactions are translated into Australian currency at the rate of exchange at the date of the transaction. At balance date amounts payable and receivable in foreign currencies are translated to Australian currency at rates of exchange current at that date. Resulting exchange differences are brought to account in determining the profit or loss for the year.

(ii) **Foreign Controlled Entities**
As the foreign controlled entities are self sustaining their assets and liabilities are translated into Australian currency at rates of exchange current at balance date, while their revenues and expenses are translated at the average rates ruling during the year. Exchange differences arising on translation are taken directly to the foreign currency translation reserve.

The exchange rates used to convert the foreign controlled entities are as follows:

AUSTRALIAN $1 EQUALS	2002	2001
Statements of Financial Position (year end rate)		
Canadian dollars	0.8518	0.7723
United States dollars	0.5639	0.5075
Great Britain pounds	0.3695	0.3603
Statements of Financial Performance (average rate for the year)		
Canadian dollars	0.8100	0.8135
United States dollars	0.5165	0.5332
Great Britain pounds	0.3582	0.3682

DERIVATIVES

Derivative financial instruments that are designated as hedges and are effective as hedges of underlying exposures are accounted for on the same basis as the underlying exposure. Derivative financial instruments are not recognised in the financial statements at inception. Gains/losses relating to hedges of specific purchase/sale commitments are deferred and recognised as adjustments to the carrying amount of the hedged transactions.

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INVESTMENTS

(i) Listed and Unlisted

Interests in listed and unlisted securities in the consolidated financial statements are brought to account at cost, less a provision where applicable. Dividend income is recognised in the Statements of Financial Performance when declared.

(ii) Controlled Entities and Associates

Investments in controlled entities and associates are accounted for in the consolidated financial statements as set out in note 1 – Statement of Significant Accounting Policies – Principles of Consolidation.

EMPLOYEE ENTITLEMENTS

(i) Wages and Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries, annual leave and sick leave are recognised and are measured as the amount unpaid at balance date at current pay rates in respect of employees' service up to that date.

(ii) Long Service Leave

A liability for long service leave is recognised and is measured as the present value of expected future payments to be made in respect of services provided by employees up to balance 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 interest rates on national government guaranteed securities with terms of maturity that match, as closely as possible, the estimated future cash outflows.

(iii) Superannuation Funds

The consolidated entity participates in a number of superannuation funds providing either lump sum or pension benefits for employees. The employees and the participating employers make contributions as percentages of salary and in accordance with the rules of the funds.

A liability in respect of defined benefit superannuation is recognised, and measured as the deficiency between the present value of employees' vested benefits at the reporting date and the net market value of the superannuation fund's assets at that date. If a surplus occurs this asset is not recognised in the financial statements. The present value of accrued benefits is based on expected future payments which arise from membership of the fund 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 interest rates on national government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows. The amount charged to the statement of financial performance in respect of superannuation represents the contributions made by the consolidated entity to the superannuation fund, adjusted by the movement in the liability.

(iv) Pension Plans

A controlled entity maintains defined benefit pension plans. The expense for the defined benefit plans is determined by actuarial valuations of pension plan assets and obligations using the projected benefit method. Current service costs are charged to earnings as they accrue, while past service amounts, experience gains and losses, and adjustments arising from plan amendments or changes in assumptions, are amortised to earnings on a straight-line basis over the expected average remaining service lives of plan members.

CASH

For the purposes of the Statements of Cash Flows, cash includes deposits at call which are readily convertible to cash on hand and are subject to insignificant risk of changes in value, net of outstanding bank overdrafts.

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVALUATIONS OF NON-CURRENT ASSETS

Subsequent to initial recognition as assets, land and buildings are measured at fair value being the amounts for which the assets could be exchanged between willing parties in an arm's length transaction. Revaluations are made with sufficient regularity to ensure that the carrying amount of each piece of land and each building does not differ materially from its fair value at the reporting date. Annual assessments will be made by the directors, supplemented by independent assessments at least every three years.

In respect of any one class of asset, any net revaluation increment is credited directly to the asset revaluation reserve and any net revaluation decrement is expensed to operating profit except where it reverses a previous revaluation increment.

Where revaluations of non-current assets are undertaken, the potential capital gains tax liability is assessed and only taken into account when there is a firm commitment to sell the assets concerned.

In assessing recoverable amounts the expected net cash inflows from the continued use and subsequent disposal of the non-current assets are discounted to their present values as considered necessary. This determination is based on either individual or groups of assets where appropriate.

ACQUISITION OF ASSETS

The cost method of accounting is used for all acquisitions of assets regardless of whether shares or other assets are acquired. Cost is determined as the fair value of the assets given up at the date of acquisition plus costs incidental to the acquisition.

Where settlement of any cash consideration is deferred, the amount payable in the future is discounted to its present value as at the date of the acquisition. The discount rate used is the rate at which a similar borrowing could be obtained under comparable terms and conditions.

A liability for restructuring costs is recognised as at the date of acquisition when there is a demonstrable commitment to the restructuring of the acquired entity and a reliable estimate of the amount can be made.

LEASED NON-CURRENT ASSETS

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

Finance leases are capitalised. A lease asset and liability are established at the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the interest expense.

The lease asset is amortised over the term of the lease, or where it is likely that the consolidated entity will obtain ownership of the asset, the life of the asset. Lease assets held at reporting date are being amortised over periods ranging from five to twenty years.

TRADE AND OTHER CREDITORS

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid in the month following recognition.

RECEIVABLES AND REVENUE RECOGNITION

Sales revenue and the resultant trade debtor are recognised when the goods have been despatched or delivered to a customer pursuant to a sales order and the associated risks have passed to the carrier or customer.

Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is raised where doubt exists as to collection of the debt.

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MAINTENANCE AND REPAIRS

Plant of the consolidated entity is required to be overhauled on a regular basis. The costs of this maintenance are charged as expenses when incurred, except where they relate to the replacement of a component of an asset, in which case the costs are capitalised and depreciated. Other routine operating maintenance, repair costs and minor renewals are also charged as expenses as incurred.

BORROWINGS

Loans and convertible notes are carried at their fair value which approximates the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and is recorded as part of creditors.

EARNINGS PER SHARE

(i) **Basic Earnings per Share**
Basic earnings per share is determined by dividing net profit after income tax attributable to members of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the 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.

CHANGE IN BASIS OF DETERMINING EARNINGS PER SHARE

In previous years basic earnings per share was determined using the profit from ordinary activities after income tax and preference share dividends attributable to members of the Company, thereby excluding extraordinary items from earnings. Diluted earnings per share in previous years adjusted the figures used in the determination of basic earnings per share by taking into account amounts unpaid on ordinary shares and earnings that would have arisen had the dilutive options been exercised during the financial year rather than adjusting the weighted average number of shares to include potential ordinary shares assumed to have been issued for no consideration.

The change in the basis for calculating earnings per share was made to comply with the revised accounting standard AASB 1027 Earnings per Share, issued in June 2001. The comparative information has been recalculated in accordance with the revised AASB 1027 Earnings per Share.

JOINT VENTURE OPERATIONS

The proportionate interests in the assets, liabilities and expenses of joint venture operations have been incorporated in the financial statements under the appropriate headings.

	CONSOLIDATED 2002 $000	CONSOLIDATED 2001 $000	PARENT ENTITY 2002 $000	PARENT ENTITY 2001 $000
NOTE 2 – REVENUE				
Revenue from operating activities				
Sale of goods	1,350,226	1,287,306	–	–
Livestock income – increase in net market value of livestock	58,058	91,484	–	–
	1,408,284	1,378,790	–	–
Revenue from outside operating activities				
Interest received	4,334	4,824	10,624	7,758
Proceeds on sale of non-current assets	7,994	6,061	79	132
Management fees – related entities	–	–	8,206	8,356
Dividends received/receivable				
– related entities	–	–	9,870	9,200
– other	10	159	–	–
Other	2,417	2,948	–	330
	14,755	13,992	28,779	25,776
Total revenue (excluding share of equity accounted net profits of associates)	1,423,039	1,392,782	28,779	25,776
NOTE 3 – OPERATING PROFIT				
Profit from ordinary activities before income tax is arrived at after charging and crediting the following items:				
Charges				
Depreciation and amortisation				
Property, plant and equipment	22,023	22,197	174	571
Goodwill	5,325	5,286	–	–
Borrowing costs	1,587	546	800	514
Deferred expenditure	714	670	–	–
Livestock	725	722	–	–
Leased assets	98	80	–	–
Bad and doubtful debt expense – net	–	1,584	–	–
Foreign exchange losses – net	–	–	19	–
Interest paid	20,494	26,075	8,927	9,362
Operating lease expense	10,866	13,842	727	648
Research and development	3,251	3,552	–	–
Loss on sale of property, plant and equipment	293	543	2	32
Loss on sale and write-off of investments	1,244	202	–	–
Provision for employee entitlements	22,916	19,397	216	–
Credits				
Interest received –				
Related entities	–	–	10,490	7,700
Other persons and corporations	4,334	4,824	135	58
Profit on sale of non-current assets	4,686	274	19	–
Foreign exchange gains – net	242	299	–	–
Bad and doubtful debt – net	137	–	–	–
Claims settlement	3,704	–	–	–

	CONSOLIDATED 2002 $000	CONSOLIDATED 2001 $000	PARENT ENTITY 2002 $000	PARENT ENTITY 2001 $000
NOTE 4 – SIGNIFICANT ITEMS				
Down-sizing of Cotswold operations in the UK resulting from adverse market conditions:				
Write-off of goodwill	–	(12,274)	–	–
Restructuring of operations	–	(1,783)	–	–
Ridley AgriProducts restructuring costs and write-downs	–	(3,761)	–	–
Significant items before income tax	–	(17,818)	–	–
Applicable income tax credit/(expense) on significant items				
Ridley AgriProducts restructuring costs and write-downs	–	1,278	–	–
Significant items after income tax	–	(16,540)	–	–

NOTE 5 – DISCONTINUED OPERATIONS

On 10 May 2002, a controlled entity sold the Cotswold International-Europe swine genetics business. This business is reported in this financial report as a discontinued operation. Settlement of residual assets and liabilities is expected no later than May 2008.

Financial information relating to the discontinued operation for the period to the date of disposal and at year-end is set out below. Further information is disclosed in note 40, Industry and Geographical Data.

FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2002 AND THE YEAR ENDED 30 JUNE 2001

	CONSOLIDATED 2002 $000	CONSOLIDATED 2001 $000
Revenue from ordinary activities	20,179	30,567
Revenue from the sale of discontinued operation	1,889	–
Total revenue from ordinary activities	22,068	30,567
Expenses from ordinary activities, excluding the carrying amount of assets sold	26,619	53,192
Carrying amount of net assets sold and costs incurred in sale	4,024	–
	30,643	53,192
Loss from ordinary activities before income tax	(8,575)	(22,625)
Income tax benefit	1,069	776
Net loss	(7,506)	(21,849)

CARRYING AMOUNT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2002 AND 30 JUNE 2001

	CONSOLIDATED 2002 $000	CONSOLIDATED 2001 $000
Cash	365	1,058
Deferred receivable	1,199	–
Receivables	189	3,579
Inventories	–	2,433
Property plant and equipment	947	1,652
Other	–	368
Livestock	–	765
Total assets	2,700	9,855
Accounts payable and accrued liabilities	1,574	4,088
Provision for employee entitlements	–	311
Borrowings	–	8,317
Total liabilities	1,574	12,716
Net assets/(liabilities)	1,126	(2,861)

	CONSOLIDATED 2002 $000	CONSOLIDATED 2001 $000

NOTE 5 – DISCONTINUED OPERATIONS (CONTINUED)

CASH FLOW INFORMATION FOR THE PERIOD ENDED 10 MAY 2002 AND THE YEAR ENDED 30 JUNE 2001

	CONSOLIDATED 2002 $000	CONSOLIDATED 2001 $000
Net cash (outflow) from ordinary activities	(5,221)	(7,605)
Net cash inflow (outflow) from investing activities	781	(332)
Net cash inflow from financing activities	3,815	8,097
	(625)	160
Details of the sale of Cotswold International-Europe are as follows:		
Consideration receivable:		
Cash	433	–
Receivable	219	–
Present value of amount due 10 May 2005	1,237	–
	1,889	–
Carrying amount of net assets sold	(3,427)	–
Loss on sale	(1,538)	–
Income tax attributable	–	–
Cost incurred on sale	(597)	–
Gross loss on sale	(2,135)	–

	CONSOLIDATED 2002 $000	CONSOLIDATED 2001 $000	PARENT ENTITY 2002 $000	PARENT ENTITY 2001 $000

NOTE 6 – INCOME TAX

The prima facie tax payable on the operating profit is reconciled with the income tax expense as follows:

	CONSOLIDATED 2002 $000	CONSOLIDATED 2001 $000	PARENT ENTITY 2002 $000	PARENT ENTITY 2001 $000
Profit from ordinary activities before income tax	59,315	30,012	9,296	9,210
Prima facie tax payable at 30% (2001: 34%)	17,794	10,204	2,789	3,131
Tax effect of permanent differences:				
Non-deductible depreciation and amortisation	725	812	–	–
Non-deductible expenses	342	463	4	12
Rebateable dividends	–	(68)	(2,961)	(3,128)
Share of net profits of associates	(1,306)	(1,189)	–	–
Significant items non-deductible/(assessable)	–	4,779	–	–
Capital gains not assessable	(1,082)	–	–	–
Losses not tax effected	2,631	1,846	–	–
Other items	43	278	53	(115)
Income tax adjusted for permanent differences	19,147	17,125	(115)	(100)
Under/(over) provision in previous year	842	(533)	115	(111)
Effect of higher tax rates on overseas income	731	(40)	–	–
Income tax expense/(benefit) attributable to operating profit	20,720	16,552	–	(211)

	CONSOLIDATED 2002 $000	CONSOLIDATED 2001 $000	PARENT ENTITY 2002 $000	PARENT ENTITY 2001 $000
NOTE 7 – DIVIDENDS				
Ordinary				
Interim dividend paid				
Fully franked – 2.0 (2001: 2.0) cents per share	4,831	4,783	4,831	4,783
Final dividend payable				
Fully franked – 2.5 (2001: 2.0) cents per share	6,630	4,810	6,630	4,810
Total dividends provided for or paid	11,461	9,593	11,461	9,593
The proposed dividends will be franked out of existing franking credits calculated at 30% and out of franking credits arising from the payment of income tax in the year ending 30 June 2003 and from fully franked dividends receivable. The estimated amount that could be distributed as dividends and be franked at 30% out of existing franking credits and out of franking credits arising from the payment of income tax provided for in the financial statements and from dividends receivable after deducting franking credits applicable to proposed dividends at balance date:			–	186
NOTE 8 – CURRENT ASSETS – RECEIVABLES				
Trade debtors	121,823	127,764	–	–
Less: Provision for doubtful debts	(1,316)	(2,315)	–	–
	120,507	125,449	–	–
Customer loans and advances(a)	9,763	9,793	–	–
Less: Provision for doubtful debts	(5,817)	(6,592)	–	–
	3,946	3,201	–	–
Other debtors	11,106	17,340	163	338
	135,559	145,990	163	338

(a) Refer to note 11 for additional information.

NOTE 9 – CURRENT ASSETS – INVENTORIES

	CONSOLIDATED 2002 $000	CONSOLIDATED 2001 $000	PARENT ENTITY 2002 $000	PARENT ENTITY 2001 $000
Raw materials and stores	66,103	57,041	–	–
Work in progress	6,021	11,536	–	–
Finished goods	38,546	43,690	–	–
Livestock	5,405	13,385	–	–
	116,075	125,652	–	–

	NUMBER 2002	NUMBER 2001
Livestock – swine	51,740	101,203

	CONSOLIDATED 2002 $000	CONSOLIDATED 2001 $000	PARENT ENTITY 2002 $000	PARENT ENTITY 2001 $000
NOTE 10 – CURRENT ASSETS – OTHER				
Prepayments	2,518	4,512	37	710
Other	2,418	817	–	–
	4,936	5,329	37	710
NOTE 11 – NON-CURRENT ASSETS – RECEIVABLES				
Customer loans and advances (a)	24,807	30,874	–	–
Less: Provision for doubtful debts	(639)	(690)	–	–
	24,168	30,184	–	–
Other debtors	2,339	1,176	–	–
Employee share loans	341	170	341	170
Amounts owing by related entities	–	–	204,004	221,516
	26,848	31,530	204,345	221,686

(a) In line with US feed industry practice, a controlled entity has entered into certain loans and collateral agreements with third parties to facilitate growth and strengthen long-term relationships with key customers. The loans bear interest primarily at rates between 4.75% and 9.0% with average terms of four years.

Loans are established within a strict policy which typically requires secured collateral from the customer and appropriate signed contractual documentation which is reviewed by legal counsel. Generally, the acquired security is subordinate to a primary commercial lender.

One customer comprised 38% of the total loans receivable balance as at 30 June 2002 (2001: 34%).

NOTE 12 – NON-CURRENT ASSETS – LIVESTOCK

	CONSOLIDATED 2002 $000	CONSOLIDATED 2001 $000	PARENT ENTITY 2002 $000	PARENT ENTITY 2001 $000
Livestock	8,562	9,957	–	–
Less: Provision for amortisation	(5,198)	(4,973)	–	–
	3,364	4,984	–	–

	NUMBER	NUMBER
Livestock – swine	2,685	4,846

	CONSOLIDATED		PARENT ENTITY	
	2002 $000	2001 $000	2002 $000	2001 $000
NOTE 13 – NON-CURRENT ASSETS – OTHER FINANCIAL ASSETS				
Shares in other corporations traded on organised markets – at cost	–	18	–	–
Shares in controlled entities – at cost	–	–	5,213	5,213
Shares in controlled entities – at valuation (a)	–	–	101,179	101,179
Shares in other corporations – at cost	1,539	3,054	–	–
	1,539	3,072	106,392	106,392
(a) Shares in controlled entities were revalued by the directors as at 30 June 1999.				
Market value of investments traded on organised markets	–	8	–	–
NOTE 14 – NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT				
Land and Buildings				
At cost	7,528	25,866	–	–
Less: Accumulated depreciation	(1,026)	(1,378)	–	–
At independent valuation 2000	195,987	182,024	4,165	4,165
Less: Accumulated depreciation	(10,651)	(3,116)	–	–
Total land and buildings	191,838	203,396	4,165	4,165
Plant and Equipment				
At cost	241,918	249,454	3,771	4,870
Less: Accumulated depreciation	(103,686)	(93,127)	(2,953)	(4,108)
Plant and equipment under construction	6,880	5,199	–	–
Under finance lease	868	912	–	–
Less: Accumulated amortisation	(93)	(80)	–	–
Total plant and equipment	145,887	162,358	818	762
Summary				
Property, plant and equipment:				
At cost	249,446	275,320	3,771	4,870
Under finance lease	868	912	–	–
At independent valuation 2000	195,987	182,024	4,165	4,165
Under construction	6,880	5,199	–	–
Less: Accumulated depreciation	(115,456)	(97,701)	(2,953)	(4,108)
	337,725	365,754	4,983	4,927

NOTE 14 – NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliations

Reconciliation of the carrying amounts of each class of property, plant and equipment at the beginning and end of current financial year are set out below:

	LAND AND BUILDINGS $000	PLANT AND EQUIPMENT $000	TOTAL $000
Consolidated			
Carrying amount at 1 July 2001	203,396	162,358	365,754
Additions	2,616	12,594	15,210
Disposals	(2,605)	(986)	(3,591)
Foreign currency exchange differences	(8,246)	(9,379)	(17,625)
Depreciation (note 3)	(3,323)	(18,700)	(22,023)
Carrying amount at 30 June 2002	191,838	145,887	337,725
Parent Entity			
Carrying amount at 1 July 2001	4,165	762	4,927
Additions	–	292	292
Disposals	–	(62)	(62)
Depreciation (note 3)	–	(174)	(174)
Carrying amount at 30 June 2002	4,165	818	4,983

	CONSOLIDATED		PARENT ENTITY	
	2002 $000	2001 $000	2002 $000	2001 $000
NOTE 15 – NON-CURRENT ASSETS – GOODWILL				
At cost less amounts written off	88,964	95,212	–	–
Less: Accumulated amortisation	(24,910)	(21,172)	–	–
	64,054	74,040	–	–
NOTE 16 – NON-CURRENT ASSETS – DEFERRED TAX ASSETS				
Future income tax benefit	4,152	5,011	775	674

Future income tax benefits do not include any benefit of tax losses in controlled entities (2001: $680,000). The benefit of tax losses of $3,313,000 (2001: $7,164,000) have not been brought to account.

This benefit for tax losses will only be obtained if:

(i) the consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised; or

(ii) the losses are transferred to an eligible entity in the consolidated entity; and

(iii) the consolidated entity continues to comply with the conditions for deductibility imposed by tax legislation; and

(iv) no changes in tax legislation adversely affect the consolidated entity in realising the benefit from the deductions for the losses.

	CONSOLIDATED 2002 $000	CONSOLIDATED 2001 $000	PARENT ENTITY 2002 $000	PARENT ENTITY 2001 $000
NOTE 17 – NON-CURRENT ASSETS – OTHER				
Deferred expenditure	10,750	6,247	4,097	3,073
Less: Accumulated amortisation	(4,328)	(4,017)	(2,008)	(2,514)
	6,422	2,230	2,089	559
NOTE 18 – CURRENT LIABILITIES – ACCOUNTS PAYABLE				
Trade creditors and accruals	143,300	137,815	2,488	1,173
NOTE 19 – CURRENT LIABILITIES – INTEREST BEARING LIABILITIES				
Secured				
Bank overdraft and loans (a)	21,352	18,553	1,218	177
Lease liabilities	177	311	–	–
Unsecured				
Loan	88	197	–	–
Convertible notes (b)	41,798	–	41,798	–
	63,415	19,061	43,016	177

(a) Cash and bank overdrafts are netted where the bank accounts are with the same financial institution and where right of set off exists. Bank overdrafts and loans are secured by a fixed and floating charge over certain assets of the consolidated entity.

(b) 20,899,172 (2001: 27,881,929) 7.5% unsecured subordinated convertible notes maturing 15 December 2002 convertible into 20,899,172 (2001: 27,881,929) ordinary shares or repayable in cash at the option of the holder. The Company has arranged long-term finance facilities to enable repayment of the convertible notes, refer note 43.

	CONSOLIDATED 2002 $000	CONSOLIDATED 2001 $000	PARENT ENTITY 2002 $000	PARENT ENTITY 2001 $000
NOTE 20 – CURRENT LIABILITIES – CURRENT TAX LIABILITIES				
Income tax	597	165	–	–
NOTE 21 – CURRENT LIABILITIES – PROVISIONS				
Dividends	6,633	4,811	6,633	4,811
Employee entitlements (note 35)	9,979	9,431	325	249
Rationalisation	–	346	–	–
	16,612	14,588	6,958	5,060
NOTE 22 – NON-CURRENT LIABILITIES – ACCOUNTS PAYABLE				
Creditors	457	460	306	460

	CONSOLIDATED 2002 $000	CONSOLIDATED 2001 $000	PARENT ENTITY 2002 $000	PARENT ENTITY 2001 $000
NOTE 23 – NON-CURRENT LIABILITIES – INTEREST BEARING LIABILITIES				
Secured				
Loans (a)	148,078	235,323	54,000	75,000
Lease liabilities	537	601	–	–
Unsecured				
Convertible notes	–	55,764	–	55,764
	148,615	291,688	54,000	130,764

(a) Bank loans are secured by fixed and floating charges over certain assets of the consolidated entity.

	CONSOLIDATED 2002 $000	CONSOLIDATED 2001 $000	PARENT ENTITY 2002 $000	PARENT ENTITY 2001 $000
NOTE 24 – NON-CURRENT LIABILITIES – DEFERRED TAX LIABILITIES				
Deferred income tax	30,616	28,328	–	–
NOTE 25 – NON-CURRENT LIABILITIES – PROVISIONS				
Employee entitlements (note 35)	10,958	10,889	163	152

	PARENT ENTITY 2002 $000	PARENT ENTITY 2001 $000
NOTE 26 – CONTRIBUTED EQUITY		
Paid up capital – 265,207,411 (2001: 240,482,363) ordinary shares	192,336	175,816

(a) Movements in issued and paid up ordinary share capital of the Company during the past two years were as follows:

DATE	DETAILS	NUMBER OF SHARES	ISSUE PRICE $	$000
01/07/00	Opening balance	238,643,265		174,626
27/10/00	Dividend Reinvestment Plan	936,860	0.5772	541
10/04/01	Dividend Reinvestment Plan	902,238	0.7195	649
30/06/01	Balance c/fwd	240,482,363		175,816
30/10/01	Dividend Reinvestment Plan	765,930	0.8265	633
29/01/02	Employee Share Scheme	266,500	0.825	220
09/04/02	Dividend Reinvestment Plan	557,456	1.22	680
01/05/02	Shareholder Options Exercised	23,135,162	0.65	14,987
30/06/02	Balance	265,207,411		192,336

NOTE 26 – CONTRIBUTED EQUITY (CONTINUED)

(b) At 30 June 2002, 4,050,000 (2001: 27,464,015) options were on issue (refer note 35). The options are exercisable at various dates up to 26 February 2007, as follows:

OPTIONS	EXERCISE PRICE	EXERCISE DATE
500,000	$0.59	1 November 2002 to 1 November 2005
250,000	$0.66	8 January 2004 to 8 January 2006
275,000	$0.74	29 January 2004 to 29 January 2006
200,000	$0.79	12 February 2004 to 12 February 2006
500,000	$0.96	29 October 2004 to 29 October 2006
675,000	$0.72	9 July 2004 to 9 July 2006
250,000	$0.89	26 August 2004 to 26 August 2006
466,667	$1.33	26 February 2004 to 26 February 2007
466,667	$1.40	26 February 2005 to 26 February 2007
466,666	$1.47	26 February 2006 to 26 February 2007

NOTE 27 – RESERVES

	CONSOLIDATED		PARENT ENTITY	
	2002 $000	2001 $000	2002 $000	2001 $000
Asset revaluation	56,403	56,406	14,051	14,051
Foreign currency translation	15,015	28,587	–	–
Capital	28,487	28,487	–	–
	99,905	113,480	14,051	14,051
Asset revaluation reserve				
Balance at 1 July 2001	56,406	56,708	14,051	14,051
Decrement arising from revaluation of land and buildings in 2000	–	(302)	–	–
Transfer to outside equity interests due to the issue of shares by a controlled entity	(3)	–	–	–
Balance at 30 June 2002	56,403	56,406	14,051	14,051
Foreign currency translation reserve				
Balance at 1 July 2001	28,587	13,592	–	–
Add: movement arising from translation of foreign controlled entities	(13,479)	14,995	–	–
Transfer to outside equity interests due to the issue of shares by a controlled entity	(93)	–	–	–
Balance at 30 June 2002	15,015	28,587	–	–

Nature and purpose of reserves

(A) ASSET REVALUATION RESERVE

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in the accounting policies. The balance standing to the credit of the reserve may be used to satisfy the distribution of bonus shares to shareholders and is only available for the payment of cash dividends in limited circumstances as permitted by law.

(B) FOREIGN CURRENCY TRANSLATION RESERVE

Exchange differences arising on translation of foreign controlled entities are taken to the foreign currency translation reserve, as described in the accounting policies.

(C) CAPITAL RESERVE

The capital reserve arose on the issue of shares in a controlled entity to outside equity interests.

	CONSOLIDATED 2002 $000	CONSOLIDATED 2001 $000	PARENT ENTITY 2002 $000	PARENT ENTITY 2001 $000

NOTE 28 – SHAREHOLDERS' EQUITY – RETAINED PROFITS/(ACCUMULATED LOSSES)

	CONSOLIDATED 2002 $000	CONSOLIDATED 2001 $000	PARENT ENTITY 2002 $000	PARENT ENTITY 2001 $000
Retained profits/(accumulated losses) at the beginning of the financial year	(9,842)	(12,554)	7,637	7,809
Adjustment resulting from a change in accounting policy governing the valuation of livestock	–	213	–	–
Net profit attributable to members of Ridley Corporation Limited	32,195	12,092	9,296	9,421
Dividends provided for or paid (note 7)	(11,461)	(9,593)	(11,461)	(9,593)
Transfer to outside equity interests due to the issue of shares by a controlled entity	(202)	–	–	–
Retained profits/(accumulated losses) at the end of the financial year	10,690	(9,842)	5,472	7,637

NOTE 29 – OUTSIDE EQUITY INTERESTS IN CONTROLLED ENTITIES

	CONSOLIDATED 2002 $000	CONSOLIDATED 2001 $000	PARENT ENTITY 2002 $000	PARENT ENTITY 2001 $000
Interest in:				
Share capital	24,399	23,862	–	–
Reserves	7,680	13,164	–	–
Retained earnings	16,691	9,941	–	–
	48,770	46,967	–	–

NOTE 30 – EQUITY

	CONSOLIDATED 2002 $000	CONSOLIDATED 2001 $000	PARENT ENTITY 2002 $000	PARENT ENTITY 2001 $000
Total equity at the beginning of the financial year	326,421	302,810	197,504	196,486
Total changes in equity recognised in the statement of financial performance	18,620	26,998	9,296	9,421
Transfer to outside equity interests due to the issue of shares by a controlled entity	(202)	–	–	–
Transactions with owners as owners				
Contributions of equity	16,520	1,190	16,520	1,190
Dividends provided or paid	(11,461)	(9,593)	(11,461)	(9,593)
Total changes in outside equity interest	1,803	5,016	–	–
Total equity at the end of the financial year	351,701	326,421	211,859	197,504

NOTE 31– FINANCIAL INSTRUMENTS

(A) OFF-BALANCE SHEET DERIVATIVE INSTRUMENTS

Ridley Corporation Limited and its controlled entities are parties to derivative financial instruments in the normal course of business in order to hedge exposure to fluctuations in interest rates, foreign exchange rates and commodity prices.

Interest Rate Swap Contracts

At balance date bank loans of the consolidated entity incur an average variable interest rate of 5.17% (2001: 7.15%). It is policy to protect part of the loans from exposure to increasing interest rates. Accordingly, the consolidated entity has entered into interest rate swap contracts under which it has fixed the interest rate payable. The contracts are settled on a net basis and the net amount receivable or payable at the reporting date is included in other debtors or creditors and accruals.

The contracts require settlement of net interest receivable or payable. The settlement dates coincide with the dates on which interest is payable on the underlying debt.

Swaps in place cover approximately 96% (2001: 53%) of the bank loans principal outstanding. The average fixed rate on the swaps, including margins, is 6.64% (2001: 8.87%).

At 30 June 2002, the notional principal amounts and periods of expiry of the contracts are as follows:

	2002 $000	2001 $000
0–1 year	17,664	69,163
1–2 years	37,664	45,142
2–3 years	87,633	20,000
3–4 years	10,000	–
4–5 years	10,000	–
	162,961	134,305

Foreign Exchange Contracts

At balance date controlled entities have external contracts to hedge future sales denominated in foreign currencies and to hedge intercompany loans denominated in foreign currencies. The terms of the contracts are for less than one year. At 30 June 2002 the controlled entities have contracted to sell US$69,000 for A$124,000 and US$12,000,000 for Canadian $18,352,000 (2001: US$233,000 for Canadian $451,000).

As these contracts are hedging anticipated future purchases and sales, any realised gains and losses on the contracts, together with the cost of contracts, are deferred and will be recognised in the measurement of the underlying transaction. Included in the amounts deferred are any gains and losses on hedging contracts terminated prior to maturity where the related transaction is still expected to occur.

The following gains, losses and costs have been deferred at 30 June 2002:

	2002 $000	2001 $000
Unrealised losses	351	8

(B) CREDIT RISK EXPOSURES

The credit risk on financial assets of the consolidated entity, which have been recognised on the statement of financial position, other than investments in shares, is generally the carrying amount, net of any provisions for doubtful debts.

The recognised financial assets of the consolidated entity include amounts receivable arising from unrealised gains on derivative financial instruments. For off-balance sheet financial instruments, including derivatives, which are deliverable, credit risk also arises from the potential failure of counterparties to meet their obligations under the respective contracts at maturity.

NOTE 31– FINANCIAL INSTRUMENTS (CONTINUED)

(C) INTEREST RATE RISK EXPOSURES

The consolidated entity'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 consolidated entity intends to hold fixed rate assets and liabilities to maturity.

	NOTES	FLOATING INTEREST RATE $000	2002 FIXED INTEREST MATURING IN: 1 YEAR OR LESS $000	OVER 1 TO 5 YEARS $000	MORE THAN 5 YEARS $000	NON-INTEREST BEARING $000	TOTAL $000
Financial Assets							
Cash and deposits		16,741	–	–	–	2,315	19,056
Receivables	8, 11	–	9,763	19,833	3,336	129,475	162,407
		16,741	9,763	19,833	3,336	131,790	181,463
Weighted average interest rate		4.25%	7.12%	8.04%	7.09%		
Financial Liabilities							
Loans and bank overdrafts	19, 23	169,518	–	–	–	–	169,518
Trade and other creditors	18, 22	–	–	–	–	143,757	143,757
Convertible notes	19	–	41,798	–	–	–	41,799
Lease liabilities	19, 23	–	177	537	–	–	714
Interest rate swaps*		(162,961)	17,664	145,297	–	–	–
		6,557	59,639	145,834	–	143,757	355,787
Weighted average interest rate		5.17%	6.46%	7.14%	–		
Net financial assets (liabilities)		10,184	(49,876)	(126,001)	3,336	(11,967)	(174,324)

* Notional principal amounts

	NOTES	FLOATING INTEREST RATE $000	2001 FIXED INTEREST MATURING IN: 1 YEAR OR LESS $000	OVER 1 TO 5 YEARS $000	MORE THAN 5 YEARS $000	NON-INTEREST BEARING $000	TOTAL $000
Financial Assets							
Cash and deposits		13,229	–	–	–	5,138	18,367
Receivables	8, 11	–	13,009	15,966	2,385	146,160	177,520
		13,229	13,009	15,966	2,385	151,298	195,887
Weighted average interest rate		4.0%	8.5%	8.5%	8.5%		
Financial Liabilities							
Loans and bank overdrafts	19, 23	254,073	–	–	–	–	254,073
Trade and other creditors	18, 22	–	–	–	–	138,275	138,275
Convertible notes	23	–	–	55,764	–	–	55,764
Lease liabilities	19, 23	–	311	601	–	–	912
Interest rate swaps*		(134,305)	69,163	65,142	–	–	–
		119,768	69,474	121,507	–	138,275	449,024
Weighted average interest rate		7.15%	8.96%	7.97%	–		
Net financial assets (liabilities)		(106,539)	(56,465)	(105,541)	2,385	13,023	(253,137)

* Notional principal amounts

NOTE 31 – FINANCIAL INSTRUMENTS (CONTINUED)

Reconciliation of Net Financial Assets to Net Assets

	NOTES	2002 $000	2001 $000
Net financial liabilities as above		(174,324)	(253,137)
Non-financial assets and liabilities			
Inventories	9	116,075	125,652
Livestock	12	3,364	4,984
Investments and other financial assets	13, 47	48,080	50,528
Property, plant and equipment	14	337,725	365,754
Goodwill	15	64,054	74,040
Other assets	10, 16, 17	15,510	12,570
Provisions	20, 21, 24, 25	(58,783)	(53,970)
Net assets per Statement of Financial Position		351,701	326,421

(D) NET FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

(i) On-balance Sheet

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the consolidated entity approximates their carrying value.

The net fair value of other monetary financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

(ii) Off-balance Sheet

For forward exchange contracts, the net fair value is taken to be the unrealised gain or loss at balance date calculated by reference to the current spot rate.

For interest rate swaps, the net fair value has been determined as the carrying amount, which represents the amount currently receivable or payable at 30 June 2002 and the present value of estimated future cash flows which have not been recognised as an asset or liability.

The carrying amounts and net fair values of financial assets and liabilities at balance date are:

	2002		2001	
	CARRYING AMOUNT $000	NET FAIR VALUE $000	CARRYING AMOUNT $000	NET FAIR VALUE $000
ON-BALANCE SHEET FINANCIAL INSTRUMENTS				
Financial Assets				
Trade debtors	120,507	120,507	125,449	125,449
Cash and deposits	19,056	19,056	18,367	18,367
Other debtors	41,900	41,900	52,071	52,071
	181,463	181,463	195,887	195,887
Financial Liabilities				
Loans and bank overdrafts	169,518	169,518	254,073	254,073
Trade and other creditors	143,757	143,757	138,275	138,275
Convertible notes	41,798	41,798	55,764	55,764
Lease liabilities	714	714	912	912
	355,787	355,787	449,024	449,024
OFF-BALANCE SHEET FINANCIAL INSTRUMENTS				
Financial Liabilities				
Forward exchange contracts	351	351	8	8
Interest rate swaps	5,718	5,718	–	–

Other than convertible notes, none of the classes of financial assets and liabilities are readily traded on organised markets in standard form.

	CONSOLIDATED		PARENT ENTITY	
	2002 $000	2001 $000	2002 $000	2001 $000
NOTE 32 – COMMITMENTS FOR EXPENDITURE				
Capital expenditure contracted for and payable not later than one year	5,787	4,105	–	–
Operating leases contracted but not provided for in the accounts:				
Due within 1 year	7,283	9,604	807	760
Due within 1–2 years	5,104	6,192	810	795
Due within 2–5 years	6,438	7,868	1,159	1,918
Due after 5 years	2,731	4,491	–	–
	21,556	28,155	2,776	3,473
Finance leases contracted for as follows:				
Due within 1 year	225	336	–	–
Due within 1–2 years	284	312	–	–
Due within 2–5 years	291	338	–	–
Minimum lease payments	800	986	–	–
Deduct: Future finance charges	86	74	–	–
Lease liabilities	714	912	–	–
Management fees and livestock purchase commitments contracted but not provided for in the accounts:				
Due within 1 year	9,341	20,547	–	–
Due within 1–2 years	7,321	6,080	–	–
Due within 2–5 years	15,421	6,726	–	–
Due after 5 years	962	3,000	–	–
	33,045	36,353	–	–

The consolidated entity contracts with third party producers pursuant to various swine management, grow-out and feeding agreements. Under the terms of the agreements, livestock owned by the consolidated entity is managed and maintained in the producers' facilities for which the consolidated entity pays the producer a management fee.

The consolidated entity contracts with third party producers pursuant to various weanling supply agreements. Under the terms of the agreement, all livestock raised by the producer must be delivered to the consolidated entity at a price specified in the agreement.

NOTE 33 – CONTINGENT LIABILITIES

The consolidated entity has guaranteed certain debts and obligations of various customers totalling $8,283,000 (2001: $6,699,000).

Secured guarantees by the parent entity in respect of borrowings and other obligations of controlled entities were $122,459,000 (2001: $2,120,570). The guarantees are secured by a fixed and floating charge over certain assets of the consolidated entity.

Under the terms of the sale agreement for Cotswold Pig Development Company Limited, a controlled entity is obligated to fund the deficit in its UK Pension Plan. At the date of sale this deficit was $615,000 which has been provided for in the calculation of the loss on sale. The controlled entity can choose to fund the deficit at any time until 10 May 2008. The relevant plan is now closed and its liabilities cannot increase, although plan assets may fluctuate due to market conditions.

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

	CONSOLIDATED 2002 $	CONSOLIDATED 2001 $	PARENT ENTITY 2002 $	PARENT ENTITY 2001 $
NOTE 34 – REMUNERATION OF AUDITORS				
Amounts received or due and receivable by the auditors for:				
(a) Auditing of the accounts and consolidated accounts				
PricewaterhouseCoopers – Australia	229,500	224,300	109,700	102,800
PricewaterhouseCoopers – International	395,080	525,115	–	–
(b) Taxation				
PricewaterhouseCoopers – Australia	285,000	209,000	212,000	163,000
PricewaterhouseCoopers – International	353,671	425,222	–	–
(c) Extended audit services				
PricewaterhouseCoopers – Australia	135,000	141,000	135,000	141,000
PricewaterhouseCoopers – International	–	34,049	–	–
(d) Other services				
PricewaterhouseCoopers – Australia	100,000	–	100,000	–
PricewaterhouseCoopers – International	138,782	53,048	–	–
	1,637,033	1,611,734	556,700	406,800
NOTE 35 – EMPLOYEE ENTITLEMENTS				
Aggregate employee entitlements including on-costs				
– Current (note 21)	9,979	9,431	325	249
– Non-current (note 25)	10,958	10,889	163	152
	20,937	20,320	488	401

SHARE OPTION PLANS

(i) Incentive Option Plan

Under the Incentive Option Plan certain employees and executive directors of the consolidated entity may be offered a number of options, each of which will represent a right to acquire one fully paid ordinary share in the capital of the Company. The purpose of the Incentive Option Plan is to provide a method whereby senior officers and executive directors of the Company and its related bodies corporate share in the future growth and prosperity of the Company. Details of options outstanding under the plan at balance date are as follows:

OPTIONS	EXERCISE PRICE	EXERCISE DATE
500,000	$0.59	1 November 2002 to 1 November 2005
250,000	$0.66	8 January 2004 to 8 January 2006
275,000	$0.74	29 January 2004 to 29 January 2006
200,000	$0.79	12 February 2004 to 12 February 2006
500,000	$0.96	29 October 2004 to 29 October 2006
675,000	$0.72	9 July 2004 to 9 July 2006
250,000	$0.89	26 August 2004 to 26 August 2006
466,667	$1.33	26 February 2004 to 26 February 2007
466,667	$1.40	26 February 2005 to 26 February 2007
466,666	$1.47	26 February 2006 to 26 February 2007

NOTE 35 – EMPLOYEE ENTITLEMENTS (CONTINUED)

SHARE OPTION PLANS (CONTINUED)

(i) Incentive Option Plan (continued)

The following (2001: 1,225,000) options were granted under the plan during the year:

OPTIONS	EXERCISE PRICE	EXERCISE DATE
500,000	$0.96	29 October 2004 to 29 October 2006
675,000	$0.72	9 July 2004 to 9 July 2006
250,000	$0.89	26 August 2004 to 26 August 2006
466,667	$1.33	26 February 2004 to 26 February 2007
466,667	$1.40	26 February 2005 to 26 February 2007
466,666	$1.47	26 February 2006 to 26 February 2007

No (2001: Nil) ordinary shares were issued during the year ended 30 June 2002 on the exercise of options granted under the plan.

The Incentive Option Plan was approved by shareholders at the 1993 Annual General Meeting and subsequently amended at the 1996 Annual General Meeting. The plan was further amended by the Board in January 2002.

(ii) Ridley Employee Share Plan

At the 1999 Annual General Meeting shareholders approved the introduction of the Ridley Employee Share Plan. 266,500 (2001: Nil) shares were issued under this plan during the year for $220,000. The market value of the shares issued was $293,000. The total loan amount outstanding at 30 June 2002 was $341,000 (2001: $170,000).

(iii) Ridley Inc. Stock Option Plan

Under the Ridley Inc. Stock Option Plan, options to purchase common shares of Ridley Inc. may be granted to employees, directors and service providers of Ridley Inc. and its controlled entities and affiliates. The purpose of the Stock Option Plan is to advance the interests of Ridley Inc. by affording such persons the opportunity of benefiting from increases in shareholder value, thereby more closely aligning their interests with those of the shareholders of Ridley Inc.

Options granted under the plan will have an exercise price of not less than the market price of the common shares of Ridley Inc. at the time of grant based on the closing sale price of common shares on the business day immediately prior and are exercisable over a maximum of 10 years. During the year 72,100 shares (2001: Nil) were issued under the plan for $557,000 (2001: Nil). The market value of the shares issued was $887,000.

No options were granted under the plan during the year (2001: 387,000). Options outstanding under the plan at balance date are as follows:

OPTIONS	EXERCISE PRICE	EXERCISE DATE
224,000	C$10.65	3 September 2000 to 3 September 2004
191,900	C$6.50	1 December 2001 to 1 December 2005
335,000	C$5.38	6 November 2002 to 6 November 2006

NOTE 35 – EMPLOYEE ENTITLEMENTS (CONTINUED)

SUPERANNUATION

Ridley Corporation Limited and its controlled entities participate in a number of superannuation funds in Australia and North America. The funds provide benefits either on a defined benefit or defined contribution basis for employees or their dependents on retirement, resignation, total and permanent disability, death and in some cases, on temporary disablement.

The members and the consolidated entity make contributions as specified in the rules of the respective funds.

The assets of all funds were sufficient to satisfy all benefits, which would have been vested in the event of termination of the funds, or in the event of the voluntary or compulsory termination of the employment of each employee.

Company 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 consolidated entity to comply with its obligations in terms of the Superannuation Guarantee Act.

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. The level of contributions to the defined benefit funds in the future will be reviewed on the advice of each fund's actuary from time to time and at the time of the triennial or annual valuations. The basis of contributions to the various plans is determined as a percentage of members' salaries or as required by the actuarial valuation.

The superannuation funds, which were in operation during the year, are as follows:

A. Defined Benefit Funds

Ridley Superannuation Plan

Last actuarial assessment as at 1 July 2000 by Stephen Defina F.I.A.A.

Based on calculations made as part of this assessment the directors are of the view that the assets of the fund are sufficient to satisfy all benefits that would have been vested under the fund in the event of the termination of the fund or voluntary or compulsory termination of employment of each employee as at the reporting date.

	2002 $000	2001 $000
Present value of employees accrued benefits (a)	8,980	8,980
Net market value of assets held by the fund to meet future benefit payments (b)	8,069	9,130
Excess/(deficit) of asset held to meet future benefit payments over the present value of employees' accrued benefits	(911)	150
Vested benefits (b)	7,921	8,916
Employer contributions to the fund year end 30 June 2002	406	483

(a) As at 1 July 2000 for 2002 and 2001.

(b) As at 1 July 2001 for 2002 and 1 July 2000 for 2001.

Contributing Companies: Ridley Corporation Limited
Cheetham Salt Limited
Ridley AgriProducts Pty Ltd
Farmstock Pty Ltd

NOTE 35 – EMPLOYEE ENTITLEMENTS (CONTINUED)

SUPERANNUATION (CONTINUED)

B. Defined Contribution Funds

Actuarial assessments are not applicable to these types of funds as benefits are based on an accumulation of defined contributions.

NAME OF FUND	COUNTRY
Ridley Superannuation Plan	Australia
Staff Pension Plan for all Employees of Ridley Inc. and Associated Companies	Canada

PENSION PLANS

A controlled entity has non-contributory deferred benefit pension plans covering substantially all of its U.S. employees. The benefits from salaried employees are based on years of service and the employees' level of compensation during specified periods of employment. The plan covering hourly employees generally provides benefits of stated amounts for each year of service. The controlled entity's funding policy is consistent with U.S. statutory regulations and equals the amount deducted for income tax purposes. Prior service costs are amortised over the average future service period of active plan participants. Plan assets include equity and fixed-income securities.

A. Hubbard Feeds Inc. Salaried Employees Retirement Plan

Last Actuarial Assessment as at 30 April 2002 by D A Anderson, A.S.A, M.A.A, E.A.

	2002 $000	2001 $000
Present value of employees accrued benefits	12,761	11,219
Net market value of assets held by the fund to meet future benefit payments	9,113	9,618
Deficiency of assets held to meet future benefit payments	(3,648)	(1,601)
Vested benefits	8,737	7,923
Employer contributions to the fund year end 30 June 2002	953	1,673
B. Hubbard Feeds Inc. Pension Plan for Hourly Wage Employees		
Last Actuarial Assessment as at 30 April 2002 by D A Anderson, A.S.A, M.A.A, E.A.		
Present value of employees' accrued benefits	6,645	6,257
Net market value of assets held by the fund to meet future benefit payments	4,973	5,196
Deficiency of assets held to meet future benefit payments	(1,672)	(1,061)
Vested benefits	6,121	5,908
Employer contributions to the fund year end 30 June 2002	716	318

The 2002 information is as at 30 April 2002 and 2001 is as at 30 April 2001.

$2,837,000 of the deficiencies in the Hubbard Feeds Inc. pension plans are provided for in the financial statements.

NOTE 36 – RELATED PARTY DISCLOSURES

DIRECTORS

The names of persons who were directors of Ridley Corporation Limited at any time during the financial year are set out in the Directors' Report.

REMUNERATION, RETIREMENT BENEFITS AND SERVICE AGREEMENTS

Information on remuneration of directors is disclosed in notes 37, 38 and 39.

TRANSACTIONS OF DIRECTORS AND DIRECTOR-RELATED ENTITIES CONCERNING SHARES, OPTIONS AND CONVERTIBLE NOTES

Aggregate numbers of ordinary shares, options and convertible notes acquired during the year by directors or their director-related entities were as follows:

	PARENT ENTITY		CONTROLLED ENTITY	
	2002	2001	2002	2001
Acquired/Issued				
Ordinary shares	124,620	267,977	–	–
Options	500,000	500,000	–	21,000
Convertible notes	–	14,000	–	–
Disposed				
Ordinary shares	100,000	680,000	–	–
Convertible notes	–	–	–	–
Options	147,999	608	–	–

All transactions relating to shares, convertible notes and options, other than employee options, were on the same basis as similar transactions with other shareholders.

Aggregate numbers of ordinary shares, options and convertible notes held directly, indirectly or beneficially by directors or their director-related entities at balance date:

	PARENT ENTITY 2002	PARENT ENTITY 2001	CONTROLLED ENTITY 2002	CONTROLLED ENTITY 2001
Ordinary shares	897,968	1,291,041	800	800
Options	1,000,000	734,919	42,000	42,000
Convertible notes	14,918	14,918	–	–

OTHER TRANSACTIONS OF DIRECTORS AND DIRECTOR-RELATED ENTITIES

Mr D G McGauchie, a director, purchased stockfeed on normal terms and conditions. Purchases totalled $380,000 during the year and $82,000 was outstanding at 30 June 2002.

NOTE 36 – RELATED PARTY DISCLOSURES (CONTINUED)

OTHER RELATED PARTIES

Salpak Pty Ltd, Western Salt Refinery Pty Ltd, Dominion Salt Limited, Dominion Salt (N.I.) Limited and Cerebos-Skellerup Limited are associated entities due to the shareholding and representation by Ridley Corporation Limited on the board of directors. Information relating to material interests in associated entities is set out in note 47.

Aggregate amounts included in the determination of operating profit before income tax that resulted from transactions with each class of other related parties were as follows:

	CONSOLIDATED		PARENT ENTITY	
	2002 $000	2001 $000	2002 $000	2001 $000
Management and directors' fees –				
Associated entities	333	307	–	–
Aggregate amounts brought to account in relation to other transactions with each class of other related parties:				
Supply of products to associated entites	7,799	7,165	–	–
Supply of products by associated entities	1,671	1,310	–	–

Transactions relating to dividends were on the same terms and conditions that applied to other shareholders. The transactions referred to above were made on normal commercial terms and conditions.

Aggregated amounts receivable from, and payable to, each class of other related parties at balance date were as follows:

	CONSOLIDATED		PARENT ENTITY	
	2002 $000	2001 $000	2002 $000	2001 $000
Current receivables – Associated entities	665	2,756	–	–
Current payables – Associated entities	–	63	–	–

WHOLLY OWNED GROUP

Information relating to controlled entities is set out in note 46.

Transactions between Ridley Corporation Limited and controlled entities consisted of:

(a) Interest charged on outstanding balances.

(b) Payment of dividends to Ridley Corporation Limited.

(c) Management charges.

(d) Rent for use of assets.

(e) Sale of non-current assets.

NOTE 36 – RELATED PARTY DISCLOSURES (CONTINUED)

WHOLLY OWNED GROUP (CONTINUED)

Aggregate amounts included in the determination of operating profit before income tax that resulted from transactions with controlled entities were as follows:

	PARENT ENTITY 2002 $000	PARENT ENTITY 2001 $000
Interest revenue	10,490	7,700
Dividend revenue	9,870	9,200
Management charges	8,206	8,356
Rental income	–	81
Aggregate amounts receivable from controlled entities at balance date were as follows:		
Non-current receivable	204,004	221,517

NOTE 37 – REMUNERATION OF DIRECTORS

CONSOLIDATED

Amounts paid or payable or otherwise made available to directors of the Company or related entities were $1,538,869 (2001: $1,156,100).

PARENT ENTITY

Amounts paid or payable or otherwise made available to directors of Ridley Corporation Limited including the fees paid to directors of Ridley Inc. who are also directors of the parent entity, were $1,428,067 (2001: $1,072,521) and were within the following bands:

$	2002	2001
10,000 – 19,999	–	1
40,000 – 49,999	2	4
50,000 – 59,999	3	–
70,000 – 79,999*	–	1
160,000 – 169,999*	2	–
220,000 – 229,999* #	–	2
360,000 – 369,999 #	–	1
840,000 – 849,999 #	1	–

* Includes termination benefits

Includes the value of options issued during the year

Directors' remuneration excludes insurance premiums paid by the Company in respect of directors' and officers' liability insurance contracts, as the contracts do not specify premiums paid in respect of individual directors or officers. Information relating to the insurance contracts is set out in the Directors' Report.

NOTE 38 – RETIREMENT BENEFITS OF DIRECTORS

Amounts received or due and receivable by non-executive directors in connection with their retirement as directors of Ridley Corporation Limited during the year was $110,980 (2001: $162,276).

The amount above was paid within the provisions of the Corporations Act 2001.

	CONSOLIDATED 2002 $	CONSOLIDATED 2001 $	PARENT ENTITY 2002 $	PARENT ENTITY 2001 $
NOTE 39 – EXECUTIVE REMUNERATION (INCLUDING EXECUTIVE DIRECTORS)				
Amounts received, or due and receivable by executives of Ridley Corporation Limited and of the consolidated entity whose remuneration equals or exceeds $100,000	6,760,306	4,033,833	2,927,065	2,079,622

The number of executive officers (including executive directors) whose income (including termination benefits) from entities in the consolidated entity and related entities was within the specified bands are as follows:

$	2002	2001	2002	2001
100,000 – 109,999* #	3	5	–	1
110,000 – 119,999*	6	4	–	–
120,000 – 129,999*	2	1	–	–
130,000 – 139,999	1	1	–	1
140,000 – 149,999*	1	2	–	–
150,000 – 159,999*	2	2	–	–
160,000 – 169,999*	3	–	–	–
170,000 – 179,999* #	1	1	–	–
180,000 – 189,999* #	3	2	1	1
200,000 – 209,999	1	–	1	–
210,000 – 219,999	1	1	–	1
220,000 – 229,999	1	–	1	–
240,000 – 249,999#	2	1	–	1
250,000 – 259,999#	2	–	1	–
290,000 – 299,999#	1	–	1	–
360,000 – 369,999#	–	1	–	1
390,000 – 399,999* #	–	1	–	1
430,000 – 439,999*	–	1	–	1
440,000 – 449,999#	1	–	1	–
470,000 – 479,999#	1	–	1	–
840,000 – 849,999#	1	–	1	–

* Includes termination benefits

Includes the value of options issued during the year

A summary of the numbers of options granted to and exercised by executive officers (with income of at least $100,000) during the year ended 30 June 2002 is set out below. The terms and conditions relating to the options are set out in note 35.

PARENT ENTITY OPTIONS	GRANTED	EXERCISED	OUTSTANDING
Executive officers of the parent entity	1,625,000	–	2,850,000
Executive officers of controlled entities	1,050,000	–	1,050,000
	2,675,000	–	3,900,000

Executive officers exclude employees of overseas entities.

NOTE 40 – INDUSTRY AND GEOGRAPHICAL DATA

INDUSTRY SEGMENT DATA – 2002

INDUSTRY SEGMENTS	SALT 2002 $000	STOCKFEED AND RURAL PRODUCTS AGRIPRODUCTS 2002 $000	STOCKFEED AND RURAL PRODUCTS CANADA 2002 $000	STOCKFEED AND RURAL PRODUCTS US FEEDS 2002 $000	DISCONTINUED OPERATIONS COTSWOLD INTERNATIONAL 2002 $000	DISCONTINUED OPERATIONS COTSWOLD NORTH AMERICA 2002 $000	UNALLOCATED 2002 $000	ELIMINATIONS 2002 $000	TOTAL 2002 $000
Sales – External	65,767	482,262	224,467	583,935	19,830	32,023	–	–	1,408,284
Sales – Internal	1,817	–	7,010	4,621	–	–	–	(13,448)	–
Total sales revenue	67,584	482,262	231,477	588,556	19,830	32,023	–	(13,448)	1,408,284
Share of profit of associates	4,353	–	–	–	–	–	–	–	4,353
Interest on customer loans	–	–	130	1,593	–	38	–	–	1,761
Other revenue	543	1,082	794	3,328	349	–	4,325	–	10,421
Total revenue	72,480	483,344	232,401	593,477	20,179	32,061	4,325	(13,448)	1,424,819
Result from operations	20,354	15,995	12,130	46,833	(6,440)	(2,887)	(10,492)	–	75,493
Claim settlement	–	–	3,704	–	–	–	–	–	3,704
Loss on sale of discontinued operations	–	–	–	–	(2,135)	–	–	–	(2,135)
Interest on customer loans	–	–	130	1,593	–	38	–	–	1,761
Segment result including interest on customer loans	20,354	15,995	15,964	48,426	(8,575)	(2,849)	(10,492)	–	78,823
Net finance costs									(19,508)
Profit from ordinary activities before income tax									59,315
Income tax expense									(20,720)
Net profit									38,595
Segment assets	185,513	180,127	108,848	239,917	2,700	23,493	25,673	–	766,271
Investments in associates	46,541	–	–	–	–	–	–	–	46,541
Acquisitions of fixed assets, intangibles and other non-current segment assets.	1,661	2,402	2,938	7,761	–	156	290	–	15,208
Segment liabilities	7,014	76,336	22,714	48,858	1,574	5,817	252,257	–	414,570
Depreciation and amortisation expense	2,301	7,210	3,122	12,010	1,090	2,114	2,625	–	30,472
Other non-cash expenses	–	–	–	–	–	–	–	–	–

NOTE 40 – INDUSTRY AND GEOGRAPHICAL DATA (CONTINUED)

INDUSTRY SEGMENT DATA – 2001

		STOCKFEED AND RURAL PRODUCTS			DISCONTINUED OPERATIONS				
INDUSTRY SEGMENTS	SALT 2001 $000	AGRIPRODUCTS 2001 $000	CANADA 2001 $000	US FEEDS 2001 $000	COTSWOLD INTERNATIONAL 2001 $000	COTSWOLD NORTH AMERICA 2001 $000	UNALLOCATED 2001 $000	ELIMINATIONS 2001 $000	TOTAL 2001 $000
Sales – External	64,925	430,857	225,767	599,353	30,309	27,579	–	–	1,378,790
Sales – Internal	1,730	–	5,996	4,459	–	1,469	–	(13,654)	–
Total sales revenue	66,655	430,857	231,763	603,812	30,309	29,048	–	(13,654)	1,378,790
Share of profit of associates	3,499	–	–	–	–	–	–	–	3,499
Interest on customer loans	–	–	178	2,181	–	94	–	–	2,453
Other revenue	577	407	1,736	2,229	258	–	3,961	–	9,168
Total revenue	70,731	431,264	233,677	608,222	30,567	29,142	3,961	(13,654)	1,393,910
Result from operations	19,706	12,386	12,130	42,777	(8,568)	(174)	(8,631)	–	69,626
Interest on customer loans	–	–	178	2,181	–	94			2,453
Significant items	–	(3,761)	–	–	(14,057)	–	–	–	(17,818)
Segment result including interest on customer loans and significant items	19,706	8,625	12,308	44,958	(22,625)	(80)	(8,631)	–	54,261
Net finance costs									(24,249)
Profit from ordinary activities before income tax									30,012
Income tax expense									(16,552)
Net profit									13,460
Segment assets	189,738	179,649	122,592	288,331	9,855	21,675	17,575	–	829,415
Investments in associates	47,456	–	–	–	–	–	–	–	47,456
Acquisitions of fixed assets, intangibles and other non-current segment assets.	3,806	1,392	2,494	4,376	332	676	–	–	13,076
Segment liabilities	6,556	66,068	25,838	49,386	4,399	3,200	347,547	–	502,994
Depreciation and amortisation expense	1,887	7,494	3,229	12,731	1,357	354	2,449	–	29,501
Other non-cash expenses	–	1,647	–	–	12,274	–	–	–	13,921

NOTE 40 – INDUSTRY AND GEOGRAPHICAL DATA (CONTINUED)

GEOGRAPHIC SEGMENTS

The consolidated entity operates in Australasia, North America and the European Union.

GEOGRAPHIC SEGMENTS	AUSTRALASIA		NORTH AMERICA		EUROPEAN UNION		ELIMINATION		CONSOLIDATED	
	2002 $000	2001 $000	2002 $000	2001 $000	2002 $000	2001 $000	2002 $000	2001 $000	2002 $000	2001 $000
External Sales	548,029	495,782	840,425	852,699	19,830	30,309	–	–	1,408,284	1,378,790
Acquisitions of fixed assets, intangibles and other non-current assets	4,353	5,198	10,855	7,546	–	332	–	–	15,208	13,076
Segment Assets	419,661	419,843	374,962	431,059	2,700	11,696	(31,052)	(33,183)	766,271	829,415

NOTE 40 – INDUSTRY AND GEOGRAPHICAL DATA (CONTINUED)

INDUSTRY SEGMENTS

The consolidated entity is organised into the following divisions by product type:

Stockfeed and Rural Products	Produces and markets stock and poultry feeds, aquafeeds, vitamin and mineral supplements, swine production, and rural merchandise.
Salt	Produces, refines and markets salt and has investments in associated companies.
Cotswold	Develops and sells swine genetics.

The basis of intersegmental pricing is market pricing.

Results are calculated on a before net interest borrowing costs, significant items and tax expense basis. Segment assets exclude deferred tax assets, and cash (which have been included as an unallocated asset).

1. Accounting policies

Segment information is prepared in conformity with the accounting policies of the consolidated entity as disclosed in note 1 and the revised segment reporting accounting standard, AASB 1005 Segment Reporting, which has been applied for the first time in the year ended 30 June 2002. The segments identified are not materially different to the segments identified in previous years. The comparative information has been restated to present the information on a consistent basis with the current year disclosures.

2. Change in segment accounting policy

In the prior year customer loans were not allocated to segments. The comparative information has been restated accordingly.

	CONSOLIDATED		PARENT ENTITY	
	2002 $000	2001 $000	2002 $000	2001 $000
NOTE 41(i) – RECONCILIATION OF NET CASH INFLOW FROM OPERATING ACTIVITIES TO OPERATING PROFIT AFTER INCOME TAX				
Net cash inflow from operating activities	82,853	60,622	10,058	9,696
Depreciation and amortisation	(30,472)	(29,501)	(974)	(1,085)
Net profit (loss) on sale of non-current assets	3,149	(471)	17	(32)
Other	1,123	(274)	660	6
Significant items	–	(12,274)	–	–
Dividends in excess of equity profits	(915)	(851)	–	–
Change in operating assets and liabilities, net of effects from purchase of controlled entities:				
Increase/(decrease) in trade debtors and doubtful debt provision	(4,942)	6,126	–	–
Increase/(decrease) in inventories	(1,597)	10,833	–	–
Increase/(decrease) in deferred tax assets	(859)	(1,822)	101	(204)
Increase/(decrease) in other debtors	(3,470)	(7,051)	(175)	80
Increase/(decrease) in prepayments	(1,994)	344	(673)	(367)
Increase/(decrease) in deferred expenditure	4,192	764	1,530	484
Decrease/(increase) in trade creditors	(5,482)	(20,744)	(1,161)	360
Decrease/(increase) in employee provisions	(617)	908	(87)	114
Decrease/(increase) in other provisions	346	15,838	–	–
Decrease/(increase) in provision for income tax payable	(432)	(585)	–	–
Decrease/(increase) in provision for deferred income tax	(2,288)	(8,402)	–	369
Operating profit after income tax	38,595	13,460	9,296	9,421
NOTE 41 (ii) – RECONCILIATION OF CASH				
For the purpose of the Statements of Cash Flows, cash includes cash on hand and at bank and short-term deposits at call net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the Statements of Cash Flows is reconciled to the related items in the Statements of Financial Position as follows:				
Cash	18,794	17,612	6	4
Short-term deposits	262	755	–	–
	19,056	18,367	6	4
Bank overdraft	–	–	(1,217)	(177)
Total cash	19,056	18,367	(1,211)	(173)

NOTE 42 – NON-CASH FINANCING AND INVESTING ACTIVITIES

During the year 1,323,386 (2001: 1,839,098) shares were issued under the Dividend Reinvestment Plan.

NOTE 43 – FINANCE FACILITIES

TERM LOAN FACILITIES

Global Finance Facility
In October 2001, the consolidated entity entered into a four-year global facility agreement with a consortium of Australian and international banks.

The facility consists of revolving and non-revolving cash advances.

Limits to Cash Advances

CURRENCY	REVOLVING LIMIT	UTILISED	NON-REVOLVING LIMIT	UTILISED	TOTAL LIMIT	TOTAL UTILISED
Australian Dollars	A$70m	A$38m	A$50m (a)	A$16m	A$120m	A$54m
United States Dollars	US$38m	US$22.7m	US$28m (b)	US$28m	US$66m	US$50.7m
Canadian Dollars	C$36m	C$5m	C$14m (b)	C$14m	C$50m	C$19m

Repayments

CURRENCY	REVOLVING	NON-REVOLVING
Australian Dollars	October 2005	October 2005 (a)
United States Dollars	October 2005	October 2005 (b)
Canadian Dollars	October 2005	October 2005 (b)

(a) The Australian non-revolving cash advance facility is only available to repay the convertible notes which mature in December 2002. Any unused portion as at 31 March 2003 will be cancelled.

(b) The US and Canadian non-revolving facilities are repayable in 14 equal quarterly instalments of US$2 million and C$1 million respectively commencing July 2002.

Finance Facilities Prior to Global Facility
In prior years, the consolidated entity had the following facilities in place:

Australian Dollar Facilities (as at 2001)
The consolidated entity had entered into an Australian dollar facility with a major Australian trading bank.

These facilities include access to the following lines of credit:

Bank Bills

(i) The parent entity had a $80.0 million bank bill facility which matures in July 2002 and was extendable annually for a further one year at the bank's option. At 30 June 2001, $5.0 million of this facility was unutilised.

(ii) A controlled entity had a $4.5 million bank bill facility which matured in January 2002 and was extendable annually for a further one year at the bank's option. At 30 June 2001, $4.5 million of this facility was unutilised.

Canadian Dollar Facilities (as at 2001)

(i) The consolidated entity had a C$25.5 million revolving loan facility which matures in July 2002 and was extendable annually for a further one year at the bank's option. At 30 June 2001, C$16.7 million of this facility was unutilised.

(ii) The consolidated entity had a C$9.5 million term loan facility which matures in October 2005. At 30 June 2001, this facility was fully utilised.

This term loan facility is repayable in 19 quarterly instalments of C$250,000 with a final payment of the balance of principal and interest due on 1 October 2005.

NOTE 43 – FINANCE FACILITIES (CONTINUED)

TERM LOAN FACILITIES (CONTINUED)

United States Dollar Facilities (as at 2001)

(i) The consolidated entity had a US$28.0 million revolving loan facility which matures in July 2002 and was extendable annually for a further one year at the bank's option. At 30 June 2001 US$10.0 million of this facility was unutilised.

(ii) The consolidated entity had a US$45.0 million term loan facility which matures in October 2005. At 30 June 2001 this facility was fully utilised.

This term loan facility was repayable in 19 quarterly principal instalments of US$1,297,150 with a final payment of the balance of principal and interest due on 1 October 2005.

Great Britain Pound Facilities (as at 2001)

(i) The consolidated entity had a £3.0 million revolving loan facility which matures in July 2002. At 30 June 2001, this facility was fully utilised.

(ii) The consolidated entity had a £6.9 million term loan facility which matures in October 2005. As at 30 June 2001, this facility was fully utilised.

This term loan facility was repayable in 19 quarterly principal instalments of £312,750 with a final payment of the balance of principal and interest due on 1 October 2005.

SHORT TERM CREDIT FACILITIES

Australian Dollar Facility

The parent has a $6.5 million (2001: $2.0 million) net overdraft facility, subject to annual review. At June 2002 and 2001 this facility was unutilised.

United States Dollar Facilities

The consolidated entity has a US$1.1 million (2001: US$1.1 million) loan facility subject to annual review. At 30 June 2002, $0.4 million (2001: US$0.3 million) of this facility was utilised.

The consolidated entity has a US$1.5 million (2001: US$1.0 million) open line of credit subject to annual review. At 30 June 2002, US$0.4 million (2001 US$1.0 million) was utilised.

	CONSOLIDATED	
	2002	2001
NOTE 44 – EARNINGS PER SHARE		
Before significant items (net of tax credit)		
Basic earnings per share	13.1c	10.2c
Diluted earnings per share	12.9c	10.2c
After significant items		
Basic earnings per share	13.1c	5.0c
Diluted earnings per share	12.9c	5.0c
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share.	245,119,725	239,479,944
Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted earnings per share.	266,802,664	240,210,209

NOTE 44 – EARNINGS PER SHARE (CONTINUED)

	2002 EARNINGS PER SHARE BASIC $000	2002 EARNINGS PER SHARE DILUTED $000	2001 EARNINGS PER SHARE BASIC $000	2001 EARNINGS PER SHARE DILUTED $000
Profit from ordinary activities before income tax	38,595	38,595	13,460	13,460
Net profit attributable to outside equity interest	(6,400)	(6,400)	(1,368)	(1,368)
Profit attributable to members	32,195	32,195	12,092	12,092
Interest saving on convertible notes	–	2,194	–	–
Earnings used in calculatings earning per share	32,195	34,389	12,092	12,092

Weighted average number of shares used as the denominator

	BASIC	DILUTED	BASIC	DILUTED
Weighted average number of shares on issue	245,119,725	245,119,725	239,479,944	239,479,944
Plus dilutive options below share price	–	783,767	–	730,265
Plus dilutive convertible notes	–	20,899,172	–	–
Weighted average number of shares used as the denominator in calculating basic and diluted earnings per share	245,119,725	266,802,664	239,479,944	240,210,209

OPTIONS NOT INCLUDED IN EPS – 2002 NUMBER	PRICE	EXPIRE	OPTIONS NOT INCLUDED IN EPS – 2001 NUMBER	PRICE	EXPIRE
466,667	1.33	26 February 2007	275,000	0.74	29 January 2006
466,667	1.40	26 February 2007	200,000	0.79	12 February 2006
466,666	1.47	26 February 2007	1,200,347	1.65	20 January 2002
			181,000	1.65	20 January 2002

OPTIONS

Options granted to employees under the Incentive Option Plan are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share. The options have not been included in the determination of basic earnings per share. Details relating to the options are set out in note 35.

CONVERTIBLE NOTES

Convertible notes are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share. The notes have not been included in the determination of basic earnings per share. Details relating to the notes are set out in note 19.

NOTE 45 – BUSINESSES AND CONTROLLED ENTITIES ACQUIRED

The consolidated entity acquired 51% of McCauley Bros., Inc. on 26 April 2002 and 100% of Mastersalt Pty Ltd on 1 November 2001.

	FAIR VALUE OF ASSETS ACQUIRED 2002 $000	2001 $000
Current Assets		
Receivables	1,265	–
Inventories	567	–
Other	70	–
Non-Current Assets		
Property, plant and equipment	1,734	–
Current Liabilities		
Borrowings	(1,120)	–
Accounts payable	(870)	–
Other	(104)	–
Non-Current Liabilities		
Borrowings	(1,134)	–
Other	(226)	–
Net assets acquired	182	–
Consideration		
Cash	1,852	–
Goodwill acquired	1,670	–
Outflow of cash to acquire businesses and controlled entities net of cash acquired	1,852	–

NAME OF ENTITY	COUNTRY OF INCORPORATION	CLASS OF SHARES	EQUITY OF PARENT ENTITY 2002	EQUITY OF PARENT ENTITY 2001
NOTE 46 – INVESTMENT IN CONTROLLED ENTITIES				
Parent Entity				
Ridley Corporation Limited	Australia			
Controlled Entities				
Ridley Inc. and its controlled entities	Canada	Ordinary	70%	70%
Ridley Manitoba Limited	Canada	Ordinary	70%	70%
Feed-Rite, Inc. (formerly Ridley Inc.)	USA	Ordinary	70%	100%
Cotswold Canada Ltd	Canada	Ordinary	70%	70%
Wishbone Turkey Farm Ltd	Canada	Ordinary	70%	70%
Ridley Limited Partnership and its controlled entity	USA	Ordinary	70%	70%
Ridley Nova Scotia LLC and its controlled entity	Canada	Ordinary	70%	70%
HFI Finance LLC	USA	Ordinary	70%	70%
Cotswold Holdings ULC and its controlled entity	USA	Ordinary	70%	70%
Ridley UK Holdings Limited and its controlled entity	UK	Ordinary	70%	70%
Cotswold Pig Development Company Limited and its controlled entity	UK	Ordinary	–	70%
Cotswold Pig Development GmbH	Germany	Ordinary	–	70%
Ridley US Holding Inc. and its controlled entities	USA	Ordinary	70%	70%
Hubbard Feeds Inc. and its controlled entities	USA	Ordinary	70%	70%
Hubbard Feeds Management Company	USA	Ordinary	70%	–
PBH Transportation Company	USA	Ordinary	70%	70%
Ridley Block Operations Inc	USA	Ordinary	70%	70%
McCauley Bros., Inc.	USA	Ordinary	51%	–
Ridley AgriProducts Pty Ltd and its controlled entities	Australia	Ordinary	100%	100%
AgriProducts Pty Ltd	Australia	Ordinary	100%	100%
Farmstock Pty Limited and its controlled entity	Australia	Ordinary	100%	100%
Farmstock Milling Pty Ltd	Australia	Ordinary	100%	100%
Noske Flour Mills Pty Ltd	Australia	Ordinary	100%	100%
Ridley Australia Pty Ltd	Australia	Ordinary	100%	100%
Ridley AgriProducts (Aust.) Limited	Australia	Ordinary	100%	100%
Ridley Liquids JV Pty Limited	Australia	Ordinary	100%	100%
Ridley AgriProducts (NZ) Pty Ltd	New Zealand	Ordinary	100%	100%

NOTE 46 – INVESTMENT IN CONTROLLED ENTITIES (CONTINUED)

Controlled Entities (continued)

NAME OF ENTITY	COUNTRY OF INCORPORATION	CLASS OF SHARES	EQUITY OF PARENT ENTITY 2002	EQUITY OF PARENT ENTITY 2001
Barastoc Stockfeeds Pty Ltd and its controlled entities	Australia	Ordinary	100%	100%
Fosforlic Feed Supplements Pty Ltd	Australia	Ordinary	100%	100%
Rumevite Pty Ltd	Australia	Ordinary	100%	100%
Cheetham Salt Limited and its controlled entities	Australia	Ordinary	100%	100%
CSL (No.3) Pty Limited	Australia	Ordinary	100%	100%
		Preference	100%	100%
Salt Australia Limited	Australia	Ordinary	100%	100%
Ocsalt Pty Ltd	Australia	Ordinary	100%	100%
Queensland Salt Pty Ltd	Australia	Ordinary	100%	100%
PT Cheetham Garam	Indonesia	Ordinary	100%	100%
Sea Lake Salt Pty Ltd	Australia	Ordinary	100%	100%
Mastersalt Pty Ltd	Australia	Ordinary	100%	–
Diamond Salt Pty Limited	Australia	Ordinary	100%	100%
RCL Investments Pty Limited	Australia	Ordinary	100%	100%
RCL Retirement Pty Limited	Australia	Ordinary	100%	100%
Ridley Research & Development Corporation Pty Limited	Australia	Ordinary	100%	100%
RCL Nominees Limited	Australia	Ordinary	100%	100%
Feed-Rite Inc	Canada	Ordinary	100%	100%
Ridley M I Pty Limited	Australia	Ordinary	100%	100%
Ridley Argentina S.A.	Argentina	Ordinary	100%	100%

NOTE 47 – INVESTMENTS IN ASSOCIATES

CONSOLIDATED

NAME OF COMPANY	PRINCIPAL ACTIVITY	COUNTRY OF INCORPORATION	OWNERSHIP INTEREST 2002	OWNERSHIP INTEREST 2001	CARRYING AMOUNT 2002 $000	CARRYING AMOUNT 2001 $000
Salpak Pty Ltd	Salt Marketing	Australia	49%	49%	15,059	15,557
Western Salt Refinery Pty Ltd	Salt Production & Distribution	Australia	50%	50%	1,407	1,470
Dominion Salt Limited and Dominion Salt (N.I.) Limited	Salt Production & Distribution	New Zealand	50%	50%	27,512	27,745
Cerebos-Skellerup Limited	Salt Marketing	New Zealand	49%	49%	2,563	2,684
Total					46,541	47,456

The above comprise interests in the ordinary share capital of the associates. The balance date of Salpak Pty Ltd and Cerebos-Skellerup Limited is 30 September, and 30 June for Western Salt Refinery Pty Ltd, Dominion Salt Limited and Dominion Salt (N.I.) Limited.

MOVEMENTS IN CARRYING AMOUNTS OF INVESTMENTS IN ASSOCIATES

	2002 $000	2001 $000
Carrying amount at the beginning of the financial year	47,456	48,307
Share of operating profits after income tax	4,353	3,499
Dividends received/receivable	(5,268)	(4,350)
Carrying amount at the end of the financial year	46,541	47,456
Operating profits before income tax	6,875	5,735
Income tax expense	2,522	2,236
Operating profits after income tax	4,353	3,499
Less: Dividends received/receivable	5,268	4,350
	(915)	(851)
Accumulated losses attributable to associates at the beginning of the financial year	(6,658)	(5,807)
Accumulated losses attributable to associates at the end of the financial year	(7,573)	(6,658)
Summary of the consolidated entity's share of the performance and financial position of the associates is as follows:		
Assets	44,688	45,321
Liabilities	4,941	4,494
Contingent liabilities	33	68
Operating lease commitments	65	56
Capital expenditure commitment	123	–

There are no material reserves of the associated companies.

NOTE 48 – INTERESTS IN JOINT VENTURES

JOINT VENTURE OPERATION

A controlled entity has a 50% participating interest in a joint venture operation called "Champion Liquid Feeds Joint Venture". This joint venture produces and markets specialised stockfeed. The controlled entity is entitled to 50% of the output of "Champion Liquid Feeds Joint Venture". The controlled entity's interests in the assets employed in this joint venture are included in the consolidated Statements of Financial Position, in accordance with the accounting policy described in note 1, under the following classifications:

	CONSOLIDATED		PARENT ENTITY	
	2002 $000	2001 $000	2002 $000	2001 $000
Current Assets				
Cash	190	–	–	–
Receivables	1,054	570	–	–
Inventories	69	12	–	–
Total current assets	1,313	582	–	–
Non-Current Assets				
Plant and equipment – at cost	112	95	–	–
Less: Accumulated depreciation	48	28	–	–
Total non-current assets	64	67	–	–
Share of assets employed in joint venture	1,377	649	–	–

NOTE 49 – POST BALANCE DATE EVENTS

No matters or circumstances have arisen since 30 June 2002 that have significantly affected, or may significantly affect:

(i) the consolidated entity's operations in future financial years; or
(ii) the results of those operations in future financial years; or
(iii) the consolidated entity's state of affairs in future financial years.

DIRECTORS' DECLARATION

The directors declare that the financial statements and notes set out on pages 36 to 80.

(a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

(b) give a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2002 and of their performance, as represented by the results of their operations and their cash flows, for the financial year ended on that date.

In the directors' opinion:

(a) the financial statements and notes are in accordance with the Corporations Act 2001; and

(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.

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

J S Keniry
Director

R J Lotze
Director

Sydney
26 August 2002

AUDIT OPINION

In our opinion, the financial report, set out on pages 36 to 81:

- presents a true and fair view, as required by the Corporations Act 2001 in Australia, of the financial position of Ridley Corporation Limited (the Company) and the consolidated entity (as defined below) as at 30 June 2002 and of their performance for the year ended on that date; and
- is presented in accordance with the Corporations Act 2001, Accounting Standards and other mandatory professional reporting requirements in Australia, and the Corporations Regulations 2001.

This opinion must be read in conjunction with the following explanation of the scope and summary of our role as auditor.

SCOPE AND SUMMARY OF OUR ROLE

THE FINANCIAL REPORT – RESPONSIBILITY AND CONTENT

The preparation of the financial report for the year ended 30 June 2002 is the responsibility of the directors of Ridley Corporation Limited. It includes the financial statements for the Company and for the consolidated entity comprising the Company and the entities it controlled during the year ended 30 June 2002.

THE AUDITOR'S ROLE AND WORK

We conducted an independent audit of the financial report in order to express an opinion on it to the members of the Company. Our role was to conduct the audit in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our audit did not involve an analysis of the prudence of business decisions made by the directors or management.

In conducting the audit, we carried out a number of procedures to assess whether in all material respects the financial report presents fairly a view in accordance with the Corporations Act 2001, Accounting Standards and other mandatory reporting requirements in Australia, and the Corporations Regulations 2001, which is consistent with our understanding of the Company's and the consolidated entity's financial position, and their performance as represented by the results of their operations and cash flows.

The procedures included:

- selecting and examining evidence, on a test basis, to support amounts and disclosures in the financial report. This included testing, as required by auditing standards, certain internal controls, transactions and individual items. We did not examine every item of available evidence;
- evaluating the accounting policies applied and significant accounting estimates made by the directors in their preparation of the financial report;
- obtaining written confirmation regarding material representations made to us in connection with the audit; and
- reviewing the overall presentation of information in the financial report.

Our audit opinion was formed on the basis of these procedures.

INDEPENDENCE

As auditor, we are required to be independent of the consolidated entity and free of interests which could be incompatible with integrity and objectivity. In respect of this engagement, we followed the independence requirements set out by The Institute of Chartered Accountants in Australia, the Corporations Act 2001 and the Auditing and Assurance Standards Board.

In addition to our statutory audit work, we were engaged to undertake other services for the consolidated entity. These services are disclosed in note 34 to the financial statements. In our opinion the provision of these services has not impaired our independence.

PricewaterhouseCoopers

W Seaton	Sydney
Partner	26 August 2002

SHAREHOLDER INFORMATION

as at 27 August 2002

Holdings of Securities – Ordinary Shares

	NO. OF HOLDERS	NO. OF SECURITIES	% HELD BY 20 LARGEST HOLDERS
Each fully paid	13,420	265,207,411	49.70

Distribution of Holdings – Ordinary Shares

NUMBER HELD	NO. OF ORDINARY SHAREHOLDERS	NO. OF ORDINARY SHARES
1 to 1,000*	2,460	1,283,260
1,001 to 5,000	5,188	15,259,506
5,001 to 10,000	2,717	19,689,447
10,001 to 100,000	2,914	65,672,373
100,001 and over	141	163,302,825

* There are 384 holders of less than a marketable parcel of shares

Twenty Largest Fully Paid Shareholders

NAME OF SHAREHOLDER	NO. OF FULLY PAID ORDINARY SHARES	% OF FULLY PAID ORDINARY SHARES
National Nominees Limited	27,518,950	10.40
JP Morgan Nominees Australia Limited	24,062,851	9.09
RBC Global Services Australia Nominees Pty Limited (PIPOOLED A/C)	21,674,337	8.19
Commonwealth Custodial Services Limited	11,614,641	4.39
Merim Pty Ltd	6,650,000	2.51
Westpac Custodian Nominees Limited	6,640,293	2.51
RBC Global Services Australia Nominees Pty Limited (BKCUST A/C)	6,013,700	2.27
RBC Global Services Australia Nominees Pty Limited (PIIC A/C)	3,548,403	1.34
Guardian Trust Australia Ltd (TACSVP A/C)	3,171,203	1.20
Citicorp Nominees Pty Limited	2,900,593	1.10
Argo Investments Limited	2,469,884	0.93
Permanent Trustee Australia Limited (PAR0002 A/C)	2,375,219	0.90
ANZ Nominees Limited	1,958,808	0.74
Cogent Nominees Pty Limited	1,943,708	0.73
Guardian Trust Australia Limited (TASWP A/C)	1,882,936	0.71
Mr Peter Janson	1,800,000	0.68
Victorian WorkCover Authority	1,794,341	0.68
Health Super Pty Ltd	1,675,939	0.63
Sandhurst Trustees Ltd (SISF A/C)	1,084,836	0.41
Alistair Peter Wright	1,032,000	0.39
	131,812,642	49.70

Holdings of Securities – Convertible Notes

	NO. OF HOLDERS	NO. OF SECURITIES	% HELD BY 20 LARGEST HOLDERS
Each fully paid	4,189	20,899,172	47.97

Distribution of Holdings – Convertible Notes

NUMBER HELD	NO. OF NOTEHOLDERS	NO. OF NOTES
1 to 1,000*	2,718	1,340,514
1,001 to 5,000	970	2,506,135
5,001 to 10,000	253	2,039,795
10,001 to 100,000	231	5,250,875
100,001 and over	17	9,761,853

* There are 247 holders of less than a marketable parcel of notes

Twenty Largest Fully Paid Noteholders

NAME OF NOTEHOLDER	NO. OF NOTES	% OF NOTES
Westpac Custodian Nominees Limited	2,831,061	13.55
Citibank Limited	1,333,333	6.38
RBC Global Services Australia Nominees Pty Limited (PP A/C)	1,324,316	6.34
Brispot Nominees Pty Ltd	1,021,976	4.89
Permanent Trustee Australia Limited (NOROMP4 A/C)	588,858	2.82
Catholic Church Insurances Limited	380,000	1.82
Gwynvill Trading Pty Limited	350,000	1.67
Commonwealth Custodial Services Limited	331,189	1.58
Collier Custodian Corporate	300,000	1.44
Valebark Pty Ltd (The Scully Investment A/C)	220,000	1.05
Invia Custodian Pty Limited (RISF A/C)	200,000	0.96
Milton Corporation Limited	199,500	0.95
Dixson Trust Pty Limited (No 1 A/C)	162,732	0.78
Dr Beng Hock Michael Khoo	150,000	0.72
Marist Missions of the Pacific	150,000	0.72
RBC Global Services Australia Nominees Pty Limited (FLEXIPLAN A/C)	111,055	0.53
Choiseul Investments Limited	107,833	0.52
Presbyterian Church (NSW) Property Trust (RM Farquharson Fund A/C)	94,328	0.45
Equity Trustees Limited (EQT High Income Fund)	89,167	0.43
South Australian Baptist Union Inc.	78,000	0.37
	10,023,348	47.97

Substantial Shareholders

The following shareholder is registered by the Company as a substantial shareholder, having declared a relevant interest in accordance with the Corporations Law in the percentage of voting shares shown below:

Perpetual Investments	13.72%

SHAREHOLDER INFORMATION

as at 27 August 2002

DIRECTORS' HOLDINGS

On 27 August 2002, the directors of Ridley Corporation Limited had an interest in the following shares and employee options of the Company.

	FULLY PAID ORDINARY SHARES	UNSECURED CONVERTIBLE NOTES	RIDLEY EMPLOYEE OPTIONS	RIDLEY INC SHARES	RIDLEY INC EMPLOYEE OPTIONS
J S Keniry	563,165	918	–	800	42,000
E B Bryan	7,000	–	–	–	–
R J Lee	40,000	–	–	–	–
R J Lotze	100,365	–	–	–	–
D G McGauchie	170,000	–	–	–	–
M P Bickford-Smith	56,311	14,000	1,000,000	–	–
A L Vizard	2,755	–	–	–	–

VOTING RIGHTS

As at 27 August 2002 the number of holders of fully paid ordinary shares with full voting rights was 13,420. On a show of hands, every person present 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. Convertible note holders have no voting rights at the AGM.

AUSTRALIAN STOCK EXCHANGE

The **ordinary shares** of the Company are listed on the Australian Stock Exchange and trade under **RIC**.

The **convertible notes** of the Company are listed on the Australian Stock Exchange and trade under **RICGA**.

On market buy-back

At the date of this report there is currently an on market buy-back of convertible notes being undertaken.

CONVERTIBLE NOTE REDEMPTION

All convertible notes not converted into ordinary shares on 1 December 2002 will be redeemed at the face value of $2.00 per note on 15 December 2002 along with accrued interest from 1 December 2002 to 15 December 2002.

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J S Keniry

Managing Director & CEO
M Bickford-Smith

Chief Financial Officer
I Wilton

Company Secretary
C J Priestley

Auditors
PricewaterhouseCoopers

Solicitors
Allens Arthur Robinson

RIDLEY AUSTRALASIAN OPERATIONS HEAD OFFICE

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Ridley AgriProducts

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RIDLEY