RIDLEY

09 Annual Report

Contents

About the Company

Ridley Corporation manufactures and markets salt, stockfeed and animal feed supplements. Its two businesses are Ridley AgriProducts – the country's leading supplier of stockfeed, and Cheetham Salt – Australia's largest producer and refiner of salt.

Ridley AgriProducts

Is a processor of value-added agricultural products. Ridley AgriProducts produces a range of world-class, high performance animal nutrition products for the poultry, dairy, beef, pig, aquaculture, horse, sheep and pet food industries. Major brands include Barastoc, Rumevite, Cobber and Ridley Aqua-Feed.

Cheetham Salt

Is a premium provider of value-added solar salt. Cheetham supplies a range of food, industrial, chemical and agricultural markets throughout Australia, Asia and the Pacific. Major brands include Mermaid, Kooka, Crown and Saxa (through its 49% owned associate Salpak).

2009 Features

- Sale of Ridley Inc.
- Restructuring of Australian operations.
- Net underlying profit after tax from continuing operations of $20.3 million before significant items.
- Record result of $24.4 million for AgriProducts business.
- More than $50 million improvement in operating cash flow.
- Retirement of $115 million of debt.
- Gearing reduced from 53.9% to 25.0%.

Five Year Summary

A$'000 Unless Otherwise Stated	Normalised 2009~	Actual 2009	2008^	2007	2006	2005
Operating results						
Revenue	**819,436**	**819,436**	1,546,649	1,439,826	1,258,675	1,153,872
Other income	**1,379**	**1,379**	1,995	3,960	5,074	4,770
Earnings before interest, tax, depreciation and amortisation (EBITDA)*	**55,509**	**48,709**	44,038	77,327	81,493	72,922
Earnings before interest and tax (EBIT)*	**44,424**	**37,622**	32,198	54,636	59,683	53,361
Net interest expense/finance charge	**8,000#**	**12,428**	14,700	14,144	13,867	9,876
Operating profit before tax*	**36,424**	**25,194**	17,496	40,492	45,816	43,485
Tax expense	**8,281**	**4,881**	1,583	10,738	12,087	7,776
Net profit from continuing operations before significant items	**28,142**	**20,313**	15,913	29,754	33,729	35,709
Minority interest (MI)	**-**	**-**	2,270	4,115	6,040	5,012
Net profit before significant items after MI	**28,142**	**20,313**	13,643	25,639	27,689	30,697
Significant items – net of tax and MI	**(7,404)**	**(7,404)**	(3,100)	(2,966)	-	9,272
Net profit after tax and significant items	**20,738**	**12,909**	10,357	22,673	27,689	39,969
Loss on sale of Ridley Inc/discontinued operation	**(52,442)**	**(52,442)**	7,219	-	-	-
Profit/(loss) attributable to members	**(31,704)**	**(39,533)**	10,505	22,673	27,689	39,969
Financial position						
Ridley shareholders' funds	**276,211**	**276,211**	320,519	335,797	338,197	305,461
Minority interest	**-**	**-**	48,925	52,433	55,873	45,968
Total assets	**468,621**	**468,621**	803,502	788,524	776,909	715,992
Total liabilities	**192,410**	**192,410**	434,058	400,294	382,839	364,563
Net debt	**69,414**	**69,414**	199,246	171,847	171,462	164,110
Market capitalisation	**236,402**	**236,402**	344,767	334,085	335,437	366,436
Enterprise value	**305,803**	**305,803**	544,013	505,932	506,899	530,546
Operating cash flow	**52,966**	**52,966**	16,424	37,384	39,536	67,271
Closing share price (cents)	**78.00**	**78.00**	116.50	116.00	121.00	135.00
Weighted average number of shares on issue – non-diluted (thousands)	**303,080**	**303,080**	295,938	288,004	277,221	271,434
Number of employees (number)	**638**	**638**	2,063	2,117	2,115	2,142
Key profitability ratios						
Return on shareholders' funds (%)*	**9.4%**	**6.8%**	4.2%	7.6%	8.6%	9.8%
Earnings per share (EPS) (cents) before significant items and discontinued operation*	**9.3**	**6.8**	1.9	8.9	10.0	11.3
EPS growth (%)	**389.5%**	**257.9%**	-78.7%	-10.9%	-11.6%	46.8%
EBIT growth	**38%**	**17%**	-41%	-8%	29%	13%
Operating cash flow/EBITDA	**0.95**	**1.09**	0.37	0.48	0.49	0.92
Operating cash flow per share (cents)	**0.18**	**0.18**	0.06	0.13	0.14	0.25
Share price/operating cash flow	**4.4**	**4.4**	21.0	8.9	8.5	5.4
EBIT per employee (A$'000)	**69.7**	**59.0**	15.6	25.8	28.2	24.9
Capital market and structure ratios						
EBITx (market cap/EBIT)	**4.3x**	**5.1x**	13.5x	7.3x	6.4x	6.8x
EBITDA per share (cents)*	**18.6**	**16.3**	14.9	26.8	29.4	26.9
EBITDA growth (%)	**26%**	**34%**	-43%	-5%	12%	3%
EBITDAx (market cap/EBITDA)*	**4.2x**	**4.7x**	7.8x	4.3x	4.1x	5.0x
Enterprise value/EBITDA (multiple)*	**5.4**	**6.2**	12.4	6.5	6.2	7.3
P/E ratio (no. of times)	**8.4**	**18.3**	61.3	13.0	12.1	11.9
Net debt/shareholders' equity (%)	**25.1%**	**25.1%**	53.9%	44.3%	43.5%	46.7%
Equity/total assets (%)	**59.2%**	**59.2%**	39.9%	42.6%	43.5%	42.7%
Net debt/EBITDA (times)*	**1.3**	**1.4**	4.5	2.2	2.1	2.3
EBIT/net interest (times)	**5.6**	**3.0**	2.2	3.9	4.3	5.4
Net tangible asset backing per share (cents)	**83.3**	**83.3**	91.0	98.3	100.9	93.5
Dividends per share (cents)	**7.00**	**7.00**	7.00	7.00	7.00	6.50
Dividend payout ratio (%)*	**75%**	**104%**	195%	88%	67%	57%
Percentage franked	**Nil**	**Nil**	50%	50%	50%	50%

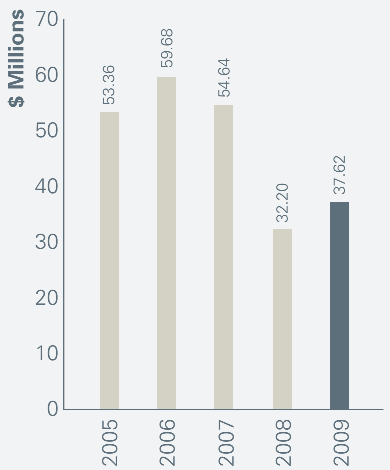
* Before significant items.

\# Interest – normalised at an assumed $8 million for reduced net debt balance over full year (post sale of Ridley Inc).

^ Normalised to exclude Ridley Inc.

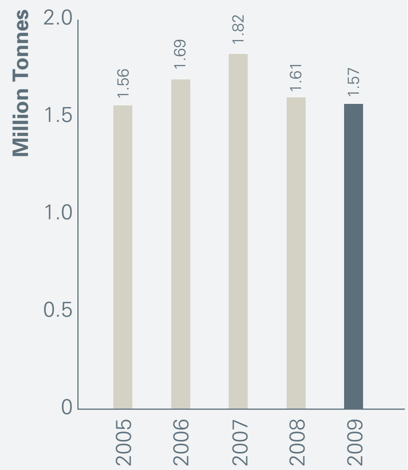
~ 2009 actual results normalised to reflect full year outcomes of 2009 debt retirement ($4.4 million), AgriProducts cost saving initiatives ($2.0 million), Cheethan crude salt write-offs ($3.5 million) and ERP write-offs ($1.3 million), minus the aggregate tax effect ($3.4 million).

Consolidated Operating EBIT*

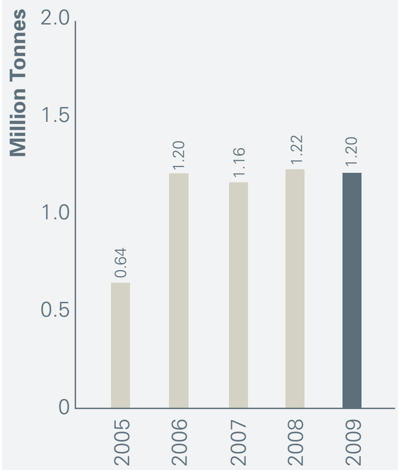


*Before significant items and 2009 and 2008 exclusive of Ridley Inc.

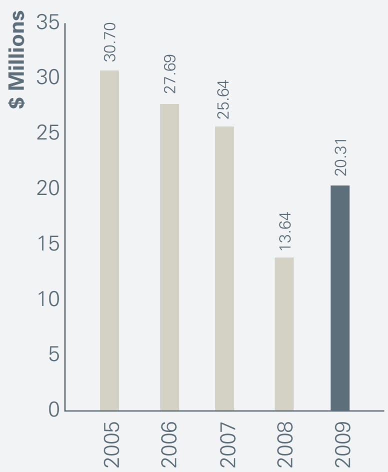
Ridley AgriProducts Volume



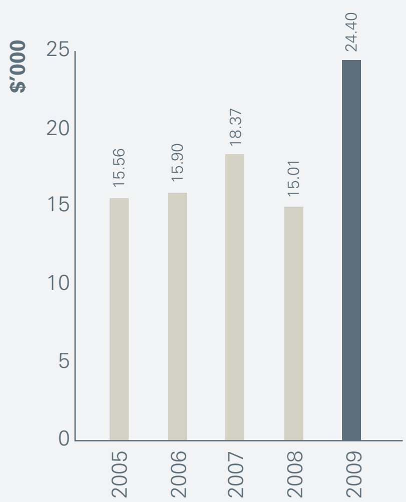
Cheetham Salt Volume



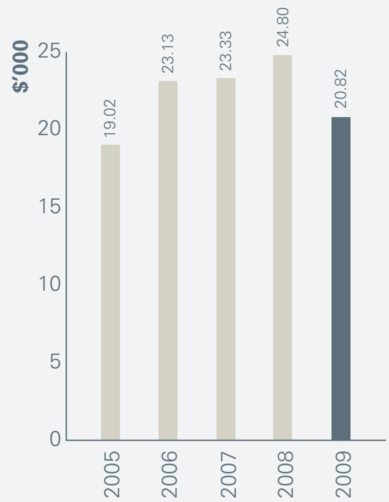
Consolidated Net Profit from Continuing Operations Before Significant Items



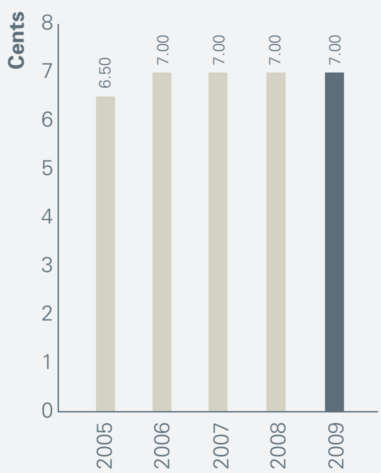
Ridley AgriProducts Operating EBIT



Cheetham Salt Operating EBIT



Consolidated Dividends Per Share



Chairman's Address

John Keniry – Chairman

We have weathered somewhat turbulent times with a strong Balance Sheet, minimal exposure to the very depressed business climate that has prevailed in many overseas markets, and have generated strong operating results from our Australian operations.

As advised in last year's report, the legal claims in Canada, which had cast a cloud over the North American business, and indeed over the entire Corporation, for several years were finally resolved early in 2008.

Following that resolution, the Board determined to sell its interest in Ridley Inc, a transaction that was finally concluded in November 2008. Whilst that sale resulted in a large statutory loss, it did generate a very large statutory amount of cash which was used to reduce corporate debt, and facilitated a more focused approach to our salt and feed businesses in Australia.

The Group's operating profit from continuing operations for fiscal 2009 year was $20.3 million before significant items, at the upper end of market expectations, and some 28% above the prior year on a like-for-like basis.

The loss on sale of Ridley Inc of $52.4 million and significant non-recurring costs, including a $7.8 million impairment of the Ridley AgriProducts' Supplements business at the half year, have combined to generate a statutory loss for the year of $39.5 million, compared with a $10.5 million profit in the prior year.

At divisional level, Ridley AgriProducts delivered Earnings Before Interest and Tax (EBIT) of $24.4 million, up by 63% on the prior year and a record result for that division. This is a particularly strong performance, driven largely by cost savings and improved margin management. Cheetham Salt delivered an operating result of $20.0 million, down by 19% on the prior year. Cheetham's result was depressed by abnormally large physical losses of crude salt following a series of severe rain events in Queensland ($3.5 million) and Enterprise Resource Planning (EPR) implementation costs of $1.3 million for the year. As detailed in the Property Development section of this report, we made steady progress on the possibility of realising value for some of Cheetham's extensive land holdings.

Directors declared a final dividend of 3.5 cents per share which is unfranked, bringing the total dividend for the year to 7.0 cents, the same as last year. The final dividend will be payable in cash following the Board's decision in August 2009 to suspend the Dividend Reinvestment Plan.

We have entered fiscal 2010 with a strong Balance Sheet, with our operations in good shape with internal growth and turnaround prospects, and with some significant capital projects to come on line. There is growing consensus, despite the global economic downturn, that world population growth will place continuing, long term upward pressure on food production, leading to a generally favourable outlook for world agriculture.

We are cautious, however, that the world remains in an uncertain state. Exchange rates and world forecasts for grain supply and demand are quite volatile, making the businesses of both us and our customers more difficult to manage. Not unexpectedly in uncertain times, there has been no progress in the World Trade Organization (WTO) round of trade liberalisation talks; indeed, both Europe and the USA have moved into reverse and have imposed subsidies on exports of dairy products, further depressing international milk powder prices, a factor that has led to reduced demand for feed by some of our dairy customers. At the time of writing, drought is once again threatening the crops and pastoral activities in many parts of eastern Australia.

Adding to these global and national uncertainties is how governments of the world, in both developed and developing economies, deal with the issues surrounding global warming generally, and from Ridley's perspective, with agriculture in particular. At present, the Australian Government has deferred until 2013 how it will deal with agriculture under the proposed Carbon Pollution Reduction Scheme (CPRS). It has, however, indicated a probable stance that would, if implemented,

treat agriculture in Australia quite differently, and in a much more disadvantageous way, than agriculture is proposed to be treated in Europe and other major agricultural countries such as the USA. It is to be hoped that commonsense prevails, and no firm decisions are made on the CPRS until after the Copenhagen meetings late in 2009, and then in a way that Australia's agriculture sector is treated similarly to agriculture sectors in other major agricultural economies. Maintenance of a level international playing field is essential for export-oriented sectors such as agriculture.

This year has been one of substantial change within Ridley, and externally as a result of the global financial crisis. These turbulent times place pressure on management at all levels. I would like to express my sincere appreciation for the efforts throughout the year of our largely new senior management team, very ably and enthusiastically led by John Murray, and to express my thanks for their past contributions to the several staff in our Sydney corporate office, including Ian Wilton and Paddy Watts, our former CFO and Company Secretary respectively, who have left us as a result of our decision to centralise our corporate and operational headquarters in Melbourne. Finally, thanks also to my fellow Directors for their wise counsel and many other contributions throughout the year.

J. S. Keniry

John Keniry
Chairman

IMPROVED VALUE

Managing Director's Review

John Murray – Managing Director and Chief Executive Officer

We commenced the 2009 year with three key objectives:

- To sell Ridley Inc.
- To improve the performance of Ridley AgriProducts.
- To unlock the value of surplus land.

As the Chairman has indicated, the sale of our 69% interest in Canadian listed subsidiary, Ridley Inc, occurred in November 2008 and has been pivotal in repositioning the Company as an Australian processor of value-added agricultural products, with low debt and significant opportunities to further improve performance and returns to our shareholders.

Although the impact on our after tax profit from this transaction was an accounting loss of $52.4 million, the repatriation of $91.6 million in net cash proceeds has largely contributed to the reduction of net debt as at 30 June 2009 to $69.4 million, which in turn has reduced our gearing from 53.9% last year to 25.0% as at 30 June 2009.

Not only has the above transaction transformed our Balance Sheet, it has also been the catalyst to dramatically reshape corporate management and allow for greater focus on our two Australian divisions at the same time as reducing corporate costs.

During the year we have moved our corporate functions from Sydney to our Bourke Street, Melbourne office to allow them to be co-located with both the Ridley AgriProducts and Cheetham Salt management teams. This move has reduced our corporate head count from 14 to 10 and whilst costs of $1.2 million have been incurred with the move, ongoing annualised savings in excess of $2.0 million are expected from the 2010 financial year onward. Already we have seen over $200,000 stripped from our external Australian-based audit fees as a result of a simpler business, Melbourne location and competitive tender process.

Unlock the value of surplus land

Last year we announced our intention to explore alternatives to unlock the inherent value of certain Cheetham Salt sites, most of which were near the coast and to urban growth areas and where production could be switched to other sites in the region.

In May 2008, we entered into an agreement with Delfin Lend Lease to undertake a joint study into the possibility of relocating part of the Dry Creek salt field near Adelaide and free up the land to create a residential and mixed use development. This investigation continues to progress and the South Australian Government-owned Land Management Corporation has joined Delfin and Ridley in the study.

To bolster Ridley's management capability in property development, during the year we appointed Stephen Butler as Property Development Manager. Stephen brings significant experience to the Company, having previously worked for both Babcock and Brown and Delfin Lend Lease. Since year end, we have completed the sale of four hectares of industrial land at Corio for $2.5 million, which represents the first significant cash inflow from our surplus property divestment program.

We expect that the Dry Creek investigation will be completed around the end of the 2009 calendar year and assuming a positive outcome, we expect that the formalisation of an appropriate relationship with our partners, including Government, could take a further six months or so to complete.

In addition, our 912 hectare site at Lara appears set to benefit from the recently announced expansion of Avalon Airport and Victorian State Government plans to fast track its redevelopment.

Whilst these developments are still in their early stages, we remain confident that significant additional value for shareholders will be progressively unlocked over the next few years.

Improved underlying earnings

The 2009 financial year has seen a significantly improved performance from the continuing operations of the business, delivering an underlying net profit after tax of $20.3 million before significant items compared to $15.9 million in the previous year.

This underlying performance was achieved prior to taking to account significant one off charges for the loss on the sale of Ridley Inc ($52.4 million), impairment of the supplements business ($7.8 million pre-tax), costs associated with the relocation of the corporate head office and conclusion of the takeover defence ($1.3 million pre-tax), and write off of Japanese tax losses ($0.7 million – tax effect).

The strong underlying result was achieved despite Ridley AgriProducts incurring $1.4 million of additional restructuring costs and Cheetham Salt's result being impacted by $4.8 million as a consequence of inventory write-offs and Enterprise Resource Planning (ERP) implementation costs.

The result was even more pleasing when considering management also dealt with a takeover bid defence, the sale of Ridley Inc and the centralisation of management into a new headquarters in Melbourne amidst the worst economic conditions in recent memory.

Ridley AgriProducts

In a year that was 'unexceptional' in its operational environment, Ridley AgriProducts has produced a record result. The key drivers that contributed to this result were a halving of the loss on our supplements business, lower manufacturing costs, improved margin management and a reduction in overhead costs.

Staff numbers in the division were reduced by 140 (20%) as a consequence of centralising functions into Melbourne and the sale or closure of non-performing businesses and sites.

We are now far less exposed to the cyclical beef sector and although dairy tonnages are expected to remain depressed, continued growth in the poultry and aquafeed sectors should offset this negative factor.

In summary, Ridley AgriProducts has produced a vastly improved result compared to the previous year. It is now a much leaner, commercially focused business, less exposed to the drought cycles of the past and well prepared to take advantage of the expected industry consolidation opportunities over the next year or so.

Cheetham Salt

Cheetham Salt is now two years into a three year strategy which is intended to deliver a significantly more efficient operating structure across the entire breadth of the business.

In the 2009 financial year we implemented a new ERP system, closed our Corio (Vic) hide salt facility and relocated it to an upgraded Sea Lake (Vic) refinery, commenced construction on a new refinery in Indonesia and a major upgrade to our Bajool (Qld) refinery, recommenced salt harvesting at Port Alma (Qld) and relocated head office functions from Corio to our Bourke Street, Melbourne office.

Upon completion of the Bajool refinery upgrade in the second half of 2010 financial year, we will have consolidated our refinery operations in Australia from five facilities down to three, which will result in lower manufacturing costs and reduced ongoing maintenance and capital requirements. The full effect of these initiatives won't be realised until 2011 financial year.

Whilst the overall earnings for 2009 financial year were disappointing, the large unusual costs that impacted the result were as a direct consequence of business transformation activities and abnormal weather impacting a salt field not harvested for five years.

Our people

The past year has seen many challenges for the people in Ridley, with major restructuring occurring at both divisional and corporate level. An improved level of accountability has been evident throughout the organisation as we have relentlessly driven costs out of the business. I have been delighted with the enthusiasm and dedication our people have demonstrated in taking up the challenges put in front of them. I know it has been a difficult year for many staff as they have had to cope with changes to the business and I thank all our people for their efforts.

Throughout the coming year we will continue to focus on developing our people to their fullest potential as well as attracting additional skills where appropriate to ensure we maintain our momentum on improving performance and delivering superior returns to our shareholders.

Outlook

Ridley Corporation is now a company with relatively low debt, two strong businesses in Ridley AgriProducts and Cheetham Salt, a shrinking cost structure and a focussed executive team determined to deliver improved value for our shareholders.

We have already seen since year end a significant new contract written with Inghams which will result in the re-opening of our Clifton facility and growth in poultry volumes in South Australia. We expect to see more consolidation opportunities emerge in the animal feed sector in which Ridley is uniquely positioned to take full advantage. Whilst we will always have some seasonal variations, Ridley AgriProducts is far less exposed now to seasonal and environmental fluctuations due to our focus on the intensive poultry, pig, dairy and aquafeed sectors.

In 2010, Cheetham Salt will complete its refinery refurbishment program and is expected to return to normal profitability levels.

Our significant surplus land portfolio will continue to be developed and we expect a way forward at Dry Creek to be resolved by the end of the 2010 financial year.

Continued tight management of costs, an expectation of similar volumes and margins in 2010, full year benefit of cost reduction programs implemented in 2009 and lower debt will combine to deliver a much stronger result in the coming financial year. Growth plans already announced in the poultry sector and activities in progress to expand aquafeed capacity, combined with the full year benefit of Cheetham plant upgrades and ERP implementation at AgriProducts, will provide the basis for further profit uplift in 2011.

Whilst 2010 will largely focus on improvement to our current businesses, we remain vigilant for opportunities that match our core competencies as a processor of value-added agricultural products.

J. Murray

John Murray
Managing Director and
Chief Executive Officer

Financial Review

Alan Boyd – Chief Financial Officer and Company Secretary

Ridley Corporation announced a consolidated profit from continuing underlying operations of $20.3 million before significant items and the loss from discontinued operations.

The underlying result after stripping out the impact of the Ridley Inc operations and balances and after quarantining the effect of one-off impairment and restructuring costs, represents a $4.4 million increase, or 27.6%, over the corresponding amount reported last year.

The statutory result for the Ridley consolidated entity (Group) for the full year to 30 June 2009 is a loss of $39.5 million after inclusion of the following two items of a non-recurring nature, each of which is discussed in further detail below:

- a non-cash loss of $52.4 million on the sale of Ridley's 69% interest in Ridley Inc reported in the half year ended 31 December 2008; and
- other significant items amounting to $7.4 million after tax, which include the impairment of Ridley AgriProducts' Supplements business, head office restructure and relocation costs and takeover defence costs, of which $6.9 million was reported in the first half year.

Operating result

Sales revenue and gross profit

2009 sales revenue from continuing operations was $819.4 million, 2.2% down on the prior year. A $26.2 million (3.4%) improvement in cost of sales led to an increase in gross profit of $7.3 million, or 10.3%. Revenue was reasonably consistent between years in most areas of the business albeit on slightly lower volumes in both the Ridley AgriProducts and Cheetham Salt businesses.

Profit after tax

Two material items included in the determination of profit after tax are finance costs incurred and share of profits generated from joint ventures, (referred to as 'Associates' in the statutory accounts).

Net finance costs

Net finance costs of $12.4 million for the year include an interest expense for 2009 of $13.4 million, a reduction of $1.8 million, or 12.0%, on last year. Upon receipt of the proceeds from the 5 November 2008 sale of Ridley Inc, $91.6 million of debt was effectively retired and the existing banking facility renegotiated with the Group's bankers. The interest charge for the year is consequently skewed to the first half of the 2009 year, and the forecast for 2010 reflects a significant reduction commensurate with the debt retirement.

Share of net profits from joint ventures

The distribution of after tax profits from the Cheetham Salt joint ventures in New Zealand and Australia have delivered a result consistent with the prior year, with the equity accounted Ridley profit share for 2009 being $7.1 million. This profit and cash stream continues to exhibit consistency over a long period of time and a growth path which correlates to movements in the Consumer Price Index (CPI).

Results summary

	2009 A$'000	2008 A$'000	Percentage Change
Sales revenue	**819,437**	838,373	(2.2%)
Gross profit	**78,104**	70,787	10.3%
Profit after tax from continuing underlying operations	**20,313**	15,915	27.6%
Less: significant items net of tax	**(7,404)**	(10,414)	(28.9%)
(Loss)/profit from discontinuing operations	**(52,442)**	7,274	See page 11
Operating (loss)/profit after tax	**(39,533)**	12,775	
Minority interest	**-**	(2,270)	
(Loss)/profit attributable to Ridley members	**(39,533)**	10,505	

Significant items

The following non-recurring items have been extracted from the underlying operating result by virtue of their size and non-recurring nature and reflected as significant items. The after tax amount for the 2009 year of $7.4 million is $3.0 million less than the previous year, a reduction of 29% (refer Note 5 to the accounts).

Impairment of assets

Given the ongoing losses being made by Ridley AgriProducts' Supplements business in the first half year, a decision was made to write down the value of the fixed assets to the market value of the land and buildings at 31 December 2008. An impairment of $7.8 million before tax ($5.7 million net of tax) was booked for the half year ended on that date. No reversal or further provision was required at 30 June 2009 as the Supplements business has embarked upon a three year plan to return to long term, sustainable profitability with a break even stretch target set for the 2010 year.

Closure of Sydney corporate office

The transfer of Ridley's corporate office from Sydney to Melbourne resulted in severance costs totalling $0.7 million before tax ($0.5 million net of tax) booked in the half year ended 31 December 2008 and further pre-tax costs of $0.6 million in the second half in respect of relocation and restructure plus conclusion of the prior year takeover defence.

Tax losses

Tax losses previously recognised of $0.7 million associated with the start up phase of Cheetham Salt's operations in Japan were written off in the first half year after the assessment of recovery of these losses was deemed to be uncertain in the current economic environment.

Net profit/(loss) from discontinued operations of Ridley Inc

The sale of Ridley Inc was completed on 5 November 2008 and generated proceeds of $91.6 million, which were used to reduce the level of Ridley debt (refer Note 6 to the accounts).

Following the sale, net debt was reduced to $88.3 million and the Ridley Group gearing reduced to 23% at the time of the sale. Ridley's ongoing funding requirements were commensurately reduced and Ridley was able to renegotiate its banking facilities and extend them out to November 2011.

The components of the Ridley Inc sale were a loss on sale of A$66.0 million, which was partially offset by the A$9.4 million reversal of the related foreign currency translation reserve and by the net operating profit of Ridley Inc (after tax and minority interest) from 1 July 2008 to 5 November 2008 of A$4.2 million. The overall loss from the discontinued operation was $52.4 million and the balance sheet at 30 June 2009 includes the only remaining Ridley Inc liability for Canadian capital gains tax of approximately A$7.2 million, which was fully provided and hedged at 30 June 2009, and paid by the end of August 2009.

The loss on discontinued operations was heavily impacted by the significant movement in the Australian dollar compared to the USA and Canadian dollar prior to settlement and the resultant impact on the book value of Ridley Inc in Ridley Corporation's accounts in Australian dollar terms. The results for Ridley Inc for the 2008 financial year and the period from 1 July 2008 to 5 November 2008 have been extracted from the consolidated results and recorded within the '(loss)/profit from discontinuing operations' line item.

All minority interests were extinguished with the sale of Ridley Inc.

Operating (loss)/profit after tax

In determining the after tax result for the 2009 year, an income tax expense of $3.2 million was recorded for the Ridley Tax Consolidated Group (TCG) (refer Note 7 to the accounts). The underlying taxable income has been calculated based on a split between the ongoing Ridley domestic TCG activities and the discontinued overseas operations of Ridley Inc, which are covered under a separate tax regime.

Significant items summary

	Gross $'000	Tax $'000	Net $'000
Impairment – supplements business	7,789	(2,051)	5,738
Head office restructure costs	698	(209)	489
Tax losses written-off	-	696	696
Significant items reported at half year	8,487	(1,564)	6,923
Completion of head office restructure and prior year takeover defence	626	(145)	481
Significant items reported at full year	9,113	(1,709)	7,404

From the prima facie tax payable for the Ridley TCG at the standard company tax rate of 30%, there are significant permanent differences relating to the after tax profit distributions received from the New Zealand joint ventures and the additional allowance claimed under the R&D Tax Concession scheme. The Ridley TCG effective tax rate is traditionally significantly lower than the 30% prime tax rate as a result of these ongoing tax effect adjustments, and whilst this creates a positive cash flow impact on the amount of tax payable, it restricts the ability of the Company to pay franked dividends. Significant tax refunds in the prior years has removed any capacity to frank the final dividend for 2009 and the Group is not expected to be in a position to frank dividends in the 2010 financial year.

Dividend

Directors have declared a final dividend of 3.5 cents per share, unfranked, and unchanged from the previous final dividend (refer Note 8 to the accounts). The dividend will be payable on 16 October 2009 to shareholders on the register at 5pm on 11 September 2009.

The dividend declared is unfranked and payable wholly in cash. The total dividend payable for the year is therefore 7.0 cents per share, which is the same level of dividend as has been paid every year since 2006.

The Company has, for the first time this year, the capacity to pay the dividend entirely in cash from its forecast Australian operating cash flow for the year whilst remaining well within its borrowing covenants. Having significantly reduced its gearing ratios during the 2009 year, the focus on debt retirement has lessened and has facilitated a greater focus on capital management. The Company does not need to raise capital at a time when it is seeking to deliver improved performance and share price recognition from organic growth nor does it wish to offer shares at a discount to the current trading price, and therefore the Board has resolved to suspend the Dividend Reinvestment Plan for the purposes of the 2009 final dividend.

Cash flow and working capital

Interest and other finance cost cash outflows for the 2009 year were $14.1 million and will reduce in 2010 in proportion to the average levels of debt (refer Statements of Cash Flows in the accounts).

A total of $14.2 million was expended on the purchase of property, plant and equipment in 2009 and this figure is budgeted to increase in 2010 due to the number of profit-accretive capital expenditure projects planned for the year. $5.1 million has been expended during the year on the implementation of the new Enterprise Resource Planning (ERP) system for Ridley AgriProducts.

After-tax cash dividends of $7.6 million have been received from the Cheetham Salt joint ventures in 2009 and these joint venture operations have traditionally been consistent providers of cash distributions.

Dividends for the year totalling $21.1 million were satisfied by $13.7 million paid in cash by Ridley and $7.4 million through the take up of the Dividend Reinvestment Plan, which has recently been suspended for the purposes of the 2009 final dividend, and employee in-substance options. The level of cash dividend paid by the Company will therefore increase in 2010.

Surplus cash has been used to retire debt during 2009 and a conscious effort to improve working capital management throughout the business has been introduced to optimise the utilisation of the existing debt facility.

Banking facilities

Following the sale of Ridley Inc, the borrowing requirements reduced significantly and the Company elected to renegotiate the facility beyond the expiry date of 31 July 2010 and at lower facility limits more aligned to the ongoing operational requirements.

As a result, in December 2008, the terms and limits of the loan facility were re-set for a three year period expiring in November 2011 and with a new facility loan limit of $150 million plus overdraft facility of $6.5 million (refer Note 34 to the accounts). The key covenant ratios under the facility remain interest cover, debt cover, gearing and consolidated net worth. The facility is secured by fixed and floating charges over Group assets, and the position at balance date including the bank overdraft, was as shown in the following table.

AUD	Limits $'000	Utilised $'000
Australian dollars	156,500	68,000
United States dollars	2,707	1,414
	159,207	69,414

Earnings per share

Earnings per share is provided in the following table on a normalised basis to take account of the distorting impact of Ridley Inc performance for the 2008 full financial year and contribution to the 2009 financial year for the period from 1 July 2008 to 5 November 2008. The underlying earnings per share from continuing operations shows a positive increase for the year (refer Note 35 to the accounts).

Earnings Per Share	2009 Cents	2008 Cents
Basic earnings per share from continuing underlying operations	**4.3**	1.9
Basic earnings per share from discontinued operations	**(17.5)**	1.7
Basic earnings per share	**(13.0)**	3.6

Gearing

The gearing ratio was significantly reduced during the 2009 financial year following the debt retirement afforded by the sale of Ridley Inc. The closing position at balance date is shown following, together with the comparative position (which includes the Ridley Inc balances which were disclosed within the assets and liabilities of the 'disposal group held for sale').

	2009 $'000	2008 $'000
Gross debt	**69,414**	204,726
Less: cash	**(280)**	(5,480)
Net debt	**69,134**	199,246
Total equity	**276,211**	369,444
Gearing ratio	**25.0%**	53.9%

Balance sheet

At 30 June 2008, the Ridley Inc assets and liabilities were shown separately from the ongoing consolidated entity as being part of a disposal group held for sale. Ridley Inc aside, there are two material balance sheet movements between years, being property, plant and equipment and borrowings. The reduction in borrowings following the retirement of debt using Ridley Inc sale proceeds has been covered elsewhere. The reduction in property, plant and equipment is addressed below.

As part of the accounting standard requirements, Ridley is required to undertake a revaluation of its property, plant and equipment at least every three years. Independent valuations of the land and buildings and of the Cheetham salt fields were conducted at 30 June 2009 on a fair market value basis assuming the continuation of existing use. The Board has adopted the values incorporated in the independent valuation.

The independent valuation of land and buildings resulted in a write down of $1.96 million.

In line with general reductions in market valuation multiples, with an increased discount factor to reflect the economic uncertainty, and adopting a generally more conservative view than might be adopted in more prosperous times, the valuation of the salt fields indicated a minor increase of $1.1 million in the Dry Creek salt field but a reduction of approximately $23.8 million in the other salt fields.

The salt field valuation was allocated across all individual salt fields and the allocation demonstrated that each salt field retains a value in excess of its historical cost. The allocation also confirmed that the full net revaluation decrement of land and buildings of $1.96 million and salt fields of $22.77 million can be taken in their entirety against the asset revaluation reserve in accordance with the relevant accounting standard.

The Balance Sheet movement in property, plant and equipment reflects the net decrement in the salt fields valuation of $22.77 million, plus a decrement of $1.96 million against land and buildings, for a total of $24.73 million. The corresponding reduction is reflected as a movement in the asset revaluation reserve (refer Notes 12 and 20 to the accounts).

Exchange rate

One Australian Dollar Equivalent	2009	2008
Balance Sheet (year end rate)		
United States dollar	**0.8142**	0.9631
Canadian dollar	**0.9335**	0.9778
Income Statement (average rate)		
United States dollar	**0.7516**	0.8934
Canadian dollar	**0.8626**	0.8894

Overseas earnings are translated into Australian dollars at average exchange rates during the financial year. Foreign currency-denominated balances at balance date are translated to Australian dollars at the year end exchange rates. Relevant exchange rates impacting operations for the year are shown above (refer Note 23 and Foreign currency translation accounting policy note, Note 1 to the accounts).

Capital movements

A total of 8,647,348 ordinary shares were issued during the year as part of the Dividend Reinvestment Plan for a consideration of $7.17 million, at an average share price of 83 cents per share. A total of 1,360,436 shares were acquired by the Company on market to satisfy the issue of 382,000 shares under the Ridley Performance Rights scheme and 978,436 shares under the Ridley Employee Share Scheme. There were no other movements in issued capital during the financial year (refer Note 19 to the accounts).

Shared services

During the 2009 year, Ridley AgriProducts' Engineering group was restructured to become a shared service across the entire organisation, covering the Cheetham business for the first time. Similarly the payroll functions were combined during the 2009 year and centralised at the Ridley AgriProducts' Pakenham, Victoria office, where those skills reside, as part of a move towards shared service arrangements. The pooling of knowledge and expertise is expected to deliver operational efficiencies and further cost savings and all aspects of the business are being reviewed to identify and implement further opportunities for shared service arrangements.

People

The Sydney head office finance team have provided a seamless and invaluable transition of the head office Company Secretarial and Finance functions to Melbourne, where a new team has been established to take the Company forward. The Sydney Finance personnel have provided great service over a number of years and their contribution is gratefully acknowledged by the Board and the new, Melbourne-based team.

Alan Boyd
Chief Financial Officer and
Company Secretary

Ridley AgriProducts

Top to bottom

Russell Lyons – General Manager Corporate Development, Ridley AgriProducts

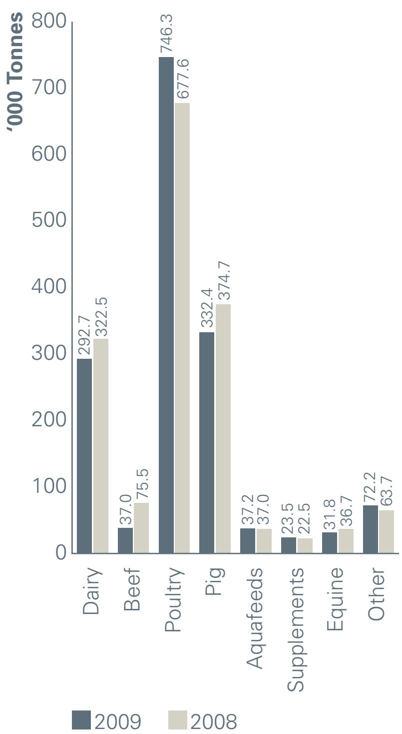
Peter Weaver – Chief Operating Officer, Ridley AgriProducts

Bill Fell – National Sales and Marketing Manager, Ridley AgriProducts

2009 Highlights

- Record result of $24.4 million for AgriProducts business.
- Sales and closures of non-performing mills.
- Annualised cost savings of $5 million.
- Increase in EBITDA per tonne from $14 to $20.
- Centralisation of sales, procurement, nutrition, and supply chain functions to Melbourne head office.
- Reduced head count by 140 from organisational restructuring.

Australia feeds



Earnings improvement from business wide initiatives

Operating result

Ridley AgriProducts recorded an Earnings Before Interest and Tax (EBIT) of $24.4 million, an increase of $9.4 million, or 63%, over the prior year. The result reflects the earnings improvement from first stage initiatives put into place in the 2008 year plus new initiatives introduced in the 2009 year that will have flow on benefits in subsequent years.

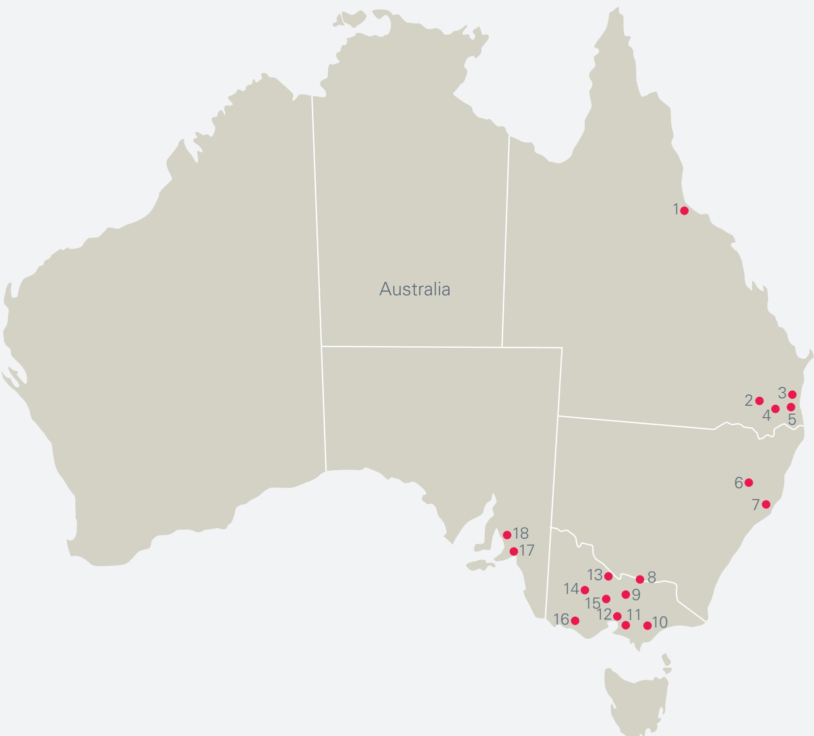
The 2009 full year result was generated in a year that may be considered as 'unexceptional' in that there were no key climate-related drivers that contributed to an unusually positive or negative operating result and that would require a normalisation adjustment in any assessment of operating performance. The market movements in the year tended to follow traditional cycles, with some sectors continuing to perform strongly such as poultry, other sectors such as the pig sector rebounding well from prior year lows, and other sectors such as dairy moving into downward cyclical phases.

Sales for the year of $716.9 million were $25.5 million (3.4%) down on last year but in line with budget and consistent with sales tonnage for the year of 1.57 million compared to 1.60 million last year. The primary driver for the performance improvement has therefore been the reductions in cost of sales of $32.2 million (4.9%) and in manufacturing overheads of $6.5 million (12.9%). A reduction in other operating expenses of $0.9 million has also been recorded.

Demand for poultry products remained strong throughout the 2009 financial year and yielded positive returns for the sector, which have in turn generated growth and further consolidation. Within Ridley there has been a concerted focus on increasing the level of services provided to the poultry sector, and the Ridley purchasing, manufacturing and nutritional teams continue to work very closely with their clients to provide

GROWTH OPPORTUNITIES

Ridley AgriProducts operations



1 Townsville
2 Dalby
3 Narangba
4 Toowoomba
5 Wacol
6 Tamworth
7 Taree
8 Corowa
9 Mooroopna
10 Maffra
11 Pakenham
12 Dandenong
13 Gunbower
14 St Arnaud
15 Bendigo
16 Terang
17 Murray Bridge
18 Wasleys

additional opportunities to create real value for them. The efforts have been well rewarded with growth in tonnes up 68,000 to 708,000 tonnes.

As announced on 12 August 2009, since balance date Ridley has entered into a long term supply agreement with Inghams to supply stockfeed to their Queensland and South Australian operations. The production of the increased tonnage will come from existing capacity in South Australia and the reopening of the Clifton stockfeed mill in south east Queensland. The long term contracts support the capital expenditure required to reopen the mill and will generate significant additional poultry revenues and profits over a long period.

Although the first six months of the year showed good results from the dairy sector, the dramatic decline in milk payments in the second half year due to events in the global dairy market forced many dairy farmers to re-evaluate their farming practices, and many of them were forced to cut back on all their input costs. The impact on Ridley was a 9.2% fall in dairy sector sales tonnages and 20% fall in sales value which were offset by cost savings and efficiencies in particular at mill level. On a positive note, the high prices for lamb have enabled good returns for both the opportunistic and specialist lamb feeders, and Ridley has experienced positive increases in tonnages sold to this sector from 5,900 tonnes last year to 8,400 tonnes this year, although still well short of the 2007 high of 37,700 tonnes.

Equally positive are the returns that the pork producers are enjoying at the present time. Pork imports have stabilised, allowing the local industry to focus on supplying fresh product into the local market. Although volumes have fallen from 375,000 tonnes last year to 332,000 tonnes this year as a result of the reduction in sow numbers and site closures in Queensland, once again cost reductions have minimised the impact on Ridley's result.

The packaged products business has generated a significant turnaround from last year's negative result to record a positive EBIT in excess of $4.5 million on 108,000 tonnes compared to 112,000 tonnes last year.

In recording a negative EBIT of $2.7 million for 2009, the Supplements business delivered a $2.4 million EBIT improvement from the previous year in the first year of its three year plan to return to sustainable profitability. Further improvement of a similar magnitude is expected in the 2010 financial year.

Aquafeeds achieved higher sales volumes of 37,000 tonnes and with the higher production of 42,500 tonnes (up 21%) stretching the existing plant capacity to its limit, alternative solutions to expand production are being aggressively pursued to ensure that capacity constraints no longer impede future growth in this sector.

Operational review

During the 2009 financial year, all aspects of the AgriProducts business have been extensively reviewed with an aim to identify growth opportunities, remove unwarranted costs and improve efficiencies.

Outflows from non-performing assets with little prospect of turnaround have been eliminated. As a result Ridley ceased operations at Clifton, sold the Wondai site, Rockhampton mill, pills business and the 50% share of the joint venture at Atherton.

At half year, the under-performing assets in the Wacol Supplements business were impaired by $7.8 million down to a value that equates to the carrying

value of the land and buildings at that site. After a comprehensive review, actions were identified and have since commenced to restore the Supplements business to a positive earnings position as part of a three year plan.

Significant restructuring of the sales, operations and administrative functions have occurred during the year.

Sales, procurement, manufacturing, nutrition and supply chain functions were centralised into the Melbourne head office, thereby generating considerable cost savings and positioning the business for improved margin management in the coming years. Administrative functions previously performed at individual mill level were centralised into regional clusters, which not only delivered further cost savings but also streamlined processes and ensured that the business is prepared for an implementation of the new Enterprise Resource Planning (ERP) system in the 2010 financial year.

By year end, the restructures were starting to deliver the anticipated performance uplift through improvements in project management, staffing efficiencies, contract execution, logistics management and purchase of raw materials.

The 2009 result reflected the beginning of the cost savings from these initiatives, however the first full year impact will be delivered in the 2010 financial year. The net costs of implementing these initiatives included within the 2009 result were $1.4 million.

Procurement

Export deregulation of the Australian wheat industry commenced in the 2009 year and this has already created a range of new challenges and industry dynamics for domestic consumers such as Ridley. Grain growers have embraced the new marketing arrangements and Ridley will actively look to develop and increase its alignment with grain growers over the next 12 to 24 months.

Despite the new challenges of managing its raw material requirements, the newly centralised procurement function has placed an increased focus on risk management and on supporting the raw material needs of AgriProducts customers. These initiatives have assisted in delivering improved margins compared to 2008.

Supply chain

In a drive to improve supply chain efficiencies across the business, a new team was formed in the 2009 year. This team combines transport, replenishment and warehouse functions on a national basis for the first time, and has commenced the substantial task of standardising key processes and procedures to enable further efficiency gains to be achieved in 2010 and future years.

Despite transport costs generally increasing across the industry, the use of back haul transport, the continued development of relationships with carriers and a focus on asset and load optimisation has kept the average increases below the Consumer Price Index (CPI). Continuing work in the areas of freight tendering, gate to gate pricing and back haul are expected to offset likely increases in rates during 2010 and will ensure that Ridley remains very competitive in this area.

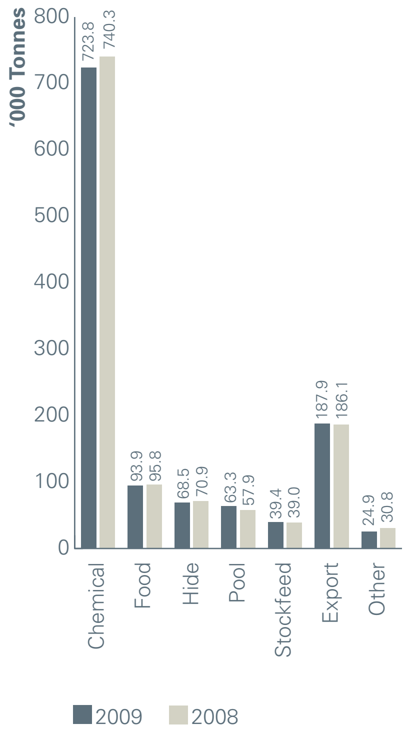
Cheetham Salt

Andrew Speed – General Manager, Cheetham Salt

2009 Highlights

- Underlying result of $17.7 million before abnormally large costs of $4.8 million.
- Continued steady growth of joint venture distributions to $7.1 million.
- Corio refinery relocated to upgraded Sea Lake facility.
- Bajool refinery upgrade and reduction of refineries from five to three.
- New Indonesian refinery construction.
- Reopening of Port Alma salt field.
- ERP implementation.

Salt products



In the 2008 financial year Cheetham Salt embarked upon a journey of business transformation, commencing the implementation of a new Enterprise Resource Planning (ERP) system and restructuring its operations to deliver long term and sustainable efficiency, logistical and manufacturing improvements across its entire operations. This journey continued in the 2009 financial year and started to deliver the short term returns anticipated from the restructure.

The business delivered a solid 2009 performance, with underlying earnings for the year of $24.8 million. The underlying result was impacted by two abnormally large costs which impacted the result by $4.8 million, thereby reducing the reported 2009 Cheetham Salt earnings to $20.0 million. These events, one related to inventory ($3.5 million) and the other an ERP transition issue ($1.3 million), are discussed in more detail below.

The more significant of the two adverse events was a write-off of crude salt losses of $3.5 million in northern Queensland due to an abnormal and extended weather pattern that led to a number of periods of unusually high rainfall. Brine in the salt crystalliser ponds was first diluted by the excessive rainfall and then lost in the outflow of flood waters, giving rise to a material loss of the harvestable salt from these crystalliser ponds.

The Port Alma field, located between Rockhampton and Gladstone, has presented the business with a series of unique challenges and contributed $3.2 million of the total loss. The Port Alma site had consciously not been harvested since 2004 because all the regional demand was able to be satisfied from other salt fields and from a large stockpile of crude salt from previous harvests. In order to ensure that the business has sufficient crude salt capacity to meet Queensland's increasing demand for Cheetham

BUSINESS TRANSFORMATION

Cheetham Salt operations

1 Bowan
2 Bajool
3 Port Alma
4 Brisbane
5 Sydney
6 Wakool
7 Corio, Lara & Moolap
8 Sea Lake
9 Dry Creek
10 Price
11 Lochiel
12 Kevin
13 Esperance
14 Fremantle
15 Cilegon
16 Mount Maunganui
17 Lake Grassmere
18 Tokyo

- Production and refinery
- Refinery
- Sales office
- Prodution

products, particularly in respect of pool salt, it was necessary to harvest the salt at the Port Alma field and deposit the salt on the bank for processing or bulk despatch.

The normal salt production cycle is no more than two years and the Port Alma field has now been returned to the normal Cheetham salt field production and harvest cycle, thereby minimising a reoccurrence of this situation. Procedures and processes have also been put into place to mitigate the risks associated with production losses from excessive rainfall.

The other component of the inventory-related write-off was at the Wakool field in southern New South Wales, where, as part of the business restructure, production of crude salt has been ceased due to a lack of water availability in the Murray Darling Basin. All costs of $0.3 million incurred up to the date of cessation were duly written-off.

The other adverse one off event was an indirect consequence of the aggressive campaign of business transformation in 2009, executed in accordance with the Cheetham strategic plan developed two years ago. In September 2008 the business successfully installed a new ERP system which will deliver improved reporting and business insights, together with efficiency opportunities, across the entire salt business.

Whilst the implementation was delivered within overall budget constraints, the business incurred $1.3 million of one off costs in the 2009 financial year associated with this upgrade. These costs consisted of inventory losses and bad debts due to insufficient documentation and traceability at and around the 'go-live' date for the new system. These issues were promptly addressed and resolved to prevent any reoccurrence.

The underlying operating performance for the year was favourably influenced by continued earnings growth in Japan, robust sales of swimming pool salt in Queensland, and higher earnings from Salpak in Australia, and Dominion Salt in New Zealand. Volumes into the hide and chemical industries were lower due to a decline in slaughter numbers and a reduction in demand from the mining sector.

The upgrade of the Sea Lake refinery in north western Victoria has been completed, with all manufacture of hide salt transferred from Corio to Sea Lake in June 2009. As a consequence, the Sea Lake operation has doubled in size, providing the business with improved efficiency and flexibility.

Cheetham has also commenced a major upgrade of the Bajool refinery near Rockhampton in Queensland, which will be completed in the first half of calendar 2010. This upgrade will significantly increase quality and capacity, enabling the Bajool refinery to satisfy the growing demands of the Queensland market. These upgrades have enabled a reduction in the number of domestic refineries from five to three, which positions Cheetham to develop these into manufacturing centres of excellence.

Construction of the new refinery in Cilegon, Indonesia has commenced following some delays in securing suitable land. The refinery is located close to the port of Cigading in West Java, the deepest sea port in Indonesia. When completed, the new refinery will enable Cheetham to take advantage of the growth in Indonesia and to meet the increasingly stringent quality expectations of the Indonesian market.

The business has continued to build on salt technology transfer in Indonesia, working with the local salt farmers to improve the quality of their salt. The objective is to encourage these farmers to manage their fields using the same techniques and processes that are adopted in Australia, and as a consequence, produce salt equivalent in quality to Australian product. Once this is achieved, Cheetham can reduce reliance on imported crude salt into Indonesia. To date this program has been very successful and is endorsed by the Indonesian Government.

Towards the end of last financial year a decision was taken to close Cheetham's Corio office and consolidate into a shared facility with Ridley AgriProducts at Bourke Street, Melbourne. This transition is now complete, and as recently announced in August 2009, the Corio site has been divested after year end for a cash consideration slightly in excess of the carrying value. Moving the head office to a shared facility has enabled Cheetham to better access Ridley AgriProducts and corporate resources, improve staffing and administrative efficiencies, and has provided a wider talent pool from which to recruit.

REFINERIES UPGRADE

Property Development

Stephen Butler – Property Development Manager

2009 Highlights

- Appointment of Property Development Manager.
- Progress of the Dry Creek investigations with Delfin Lend Lease.
- Agreement for the sale of Corio for $2.5 million.
- Plans for expansion of Avalon Airport adjacent to strategic landholdings at Lara.

Ridley is progressing a number of opportunities to divest or redevelop its surplus landholdings across Australia as part of a strategy to realise unrecognised value from its significant property portfolio.

Unlocking the potential value of land identified as being surplus to ongoing operating requirements is now a significant component of Ridley's long term strategic plan.

Ridley owns significant surplus landholdings throughout Australia, many of which benefit from proximity to major urban centres, coastal areas or from being within areas earmarked by Government for future urban expansion. These landholdings provide Ridley with the opportunity to generate substantial returns over and above those generated from its normal operations, either through property sales or by engaging in long term property development programs. Ridley is actively pursuing the sale or redevelopment of these assets in order to generate upfront cash returns or longer term revenue streams.

In November 2008, Ridley announced the appointment of Stephen Butler to the newly created position of Property Development Manager. Stephen provides a dedicated focus to Ridley's property development strategy, and brings significant experience in property development, having previously worked with specialist property groups Delfin Lend Lease and more recently with Babcock and Brown as its Victorian Development Manager. Stephen is supported by independent, specialist consultants engaged to provide the Board with appropriate external due diligence and ensure the optimisation of corporate structures and shareholder returns.

A key component of Ridley's property development strategy is the potential redevelopment of Dry Creek in South Australia. In May 2008, Ridley entered into a Heads of Agreement with Delfin Lend Lease to investigate the feasibility of redeveloping the Dry Creek salt fields for residential and/or mixed-use development. These salt fields are located only 12km from the heart of the Adelaide central business district. The State Government of South Australia has recently released its 30 year plan for greater Adelaide, in which the Dry Creek salt field site has been nominated as 'key urban expansion.'

We are pleased with the progress of the investigations to date, with most of the technical studies having been completed and a preliminary project master plan prepared.

The key components of the master plan include:

- total site area 980ha (Ridley ownership 316ha);
- approximately 10,000 dwellings, housing over 20,000 residents;
- creation of 11km of developable waterfront land;
- a 40ha town centre and mixed-use precinct providing education, retail, commercial and residential living opportunities;
- two neighbourhood centre precincts;
- a 120ha saltwater recreational lake offering ocean access and marina facilities; and
- creation of dedicated areas for new mangrove habitats and wetlands.

The project feasibility continues to be developed and refined, and there are a number of technical matters that still need to be resolved, including the feasibility of relocating Cheetham's existing salt fields, which are currently in use and located within the boundaries of the potential development. Cheetham has long term leases on parcels of currently unused land immediately north of the current salt fields which would provide a suitable relocation site.

The clear indications from the feasibility studies to date, the scale of the potential development and its proximity to the centre of Adelaide, are that there is significant value to be realised through the redevelopment of Dry Creek. Ongoing discussions with Government and further development of the feasibility studies are continuing.

Dry Creek, South Australia – development area

● Boundary ● Development area

Lara, Victoria – freehold area

● Boundary ● Freehold area

The first strategic property sale was achieved early in the 2010 financial year with the sale of industrial land at Corio for cash consideration of $2.5 million. Settlement of the land occurred in September 2009 following the transfer of the hide salt refining operations to the upgraded Sea Lake facility in Victoria and the relocation of Cheetham's head office and administrative functions to the Bourke Street, Melbourne corporate head office.

Our 912ha site at Lara appears set to benefit from the recently announced expansion of Avalon Airport. The airport is already in the process of applying to the Federal Government for the establishment of an international passenger terminal. The State Government recently announced plans to fast track the redevelopment of Avalon Airport and Ridley is currently exploring opportunities around divestment of the Cheetham surplus land to take advantage of this major redevelopment project.

Ridley is concurrently investigating divestment and redevelopment of several other surplus properties and both management and the Board remain positive that these exciting opportunities have the potential to deliver significant returns for Ridley shareholders.

Sustainability Report

Anne-Marie Mooney – Group General Manager, Commercial

Sustainability for Ridley means proactively addressing the environmental, social and governance issues that are material to our business.

Safety

It goes without saying that safety is critical to the way we do business and is one of our core values. Our safety focus, which begins at Board and executive management level, is underpinned by three elements: embedding the right behaviour, developing and implementing a safety management system, and finding engineering solutions for the physical safety hazards that we face within a manufacturing environment.

Safety performance is rigorously monitored, reported to management and the Board, and is a component of individual performance appraisal and management remuneration. The key measures we use to assess safety performance are the lost time injury frequency rate (LTIFR), the serious injury frequency rate (SIFR), and the duration rate (DR). In 2007, the Board approved a three year target for both Ridley AgriProducts and Cheetham Salt for a LTIFR of less than five and a SIFR of less than 20.

The LTIFR is calculated on the number of injuries incurring lost time/hours worked x 1,000,000, the SIFR on the total medical treated injuries and lost time injuries/hours worked x 1,000,000, whilst the DR is based on the number of days lost/ number of lost time injuries.

The overall consolidated Ridley performance for the 2009 financial year was as follows: the LTIFR was 9.94, down from the June 2008 result of 13, representing a 24% decrease in the incidents that resulted in lost time to the business. The SIFR, which represents the total injury rate, was 20.78, down from 49.42 last year, which is a very pleasing performance for the business. The DR was 15.86, compared to 18.15 last year, a reduction of 13%.

Whilst the above results are very pleasing, the management team remains focused on continuing to drive the improvements required to ensure that no one is injured in the workplace. The key focus continues to be embedding the safety programs across the businesses and driving the required behavioural change.

Safety objectives and action plans have also been reviewed to set the priorities for the Ridley businesses in the coming year. These predominantly relate to progressing actions and programs that were commenced during the 2009 year and continuing to build on the three elements already mentioned.

Ridley AgriProducts

The LTIFR for Ridley AgriProducts for the year was 11.17, compared with last year's 14.33, a reduction of 22%. The SIFR was 25.77 compared to last year's 59.61 representing a reduction of over 50% in total injuries as shown in the table on the following page.

Further improvements to the safety action plan were developed and implemented for the business to ensure that the business meets its 2010 financial year targets and achieves the overall goal of providing a safe workplace for all our employees and contractors. The revised safety action plan addresses additional key safety risks, with the focus in the coming year being on the premix handling areas and finding solutions for operations in this area.

Cheetham Salt

The LTIFR for Cheetham Salt for the year was at 8.72, compared with last year's 21.17, a reduction of 59% as shown in the previous table. The SIFR was 15.51, compared to last year's 65.29, which represents a reduction in total injuries and also includes for the first time the Indonesian operation statistics, which in previous years had not been included.

Cheetham continues to operate the safety management system in accordance with AS4801 and all Cheetham sites are certified to this standard.

	Ridley AgriProducts				Cheetham Salt			
Performance Measure	**2008 Result**	**2009 Result**	**2009 Target**	**2010 Target**	**2008 Result**	**2009 Result**	**2009 Target**	**2010 Target**
LTIFR	14.33	11.17	10	5	21.17	8.72	7	5
SIFR	59.61	25.77	<30	20	65.29	15.51	<30	20
DR	15.95	16.8	5	<4	22.26	14.56	10	<4

Environment

Energy

The Federal Government's National Greenhouse and Energy Reporting Bill (NGER), introduced in August 2007, establishes a national reporting framework for carbon and energy consumption. To comply with this legislation, Ridley will be required to report its energy usage for the 2009 year. Ridley has completed the registration process and is now required to complete a report that will be submitted in accordance with the legislative obligation in October 2009.

During the 2009 financial year, Ridley's focus was on capturing the data to facilitate the reporting requirements. Compliance with this legislation will be critical as it will be the basis for the carbon pollution reduction scheme (CPRS), which will develop baseline data and ultimately the targets for emissions reduction.

Ridley is also required to report its energy usage under the Energy Efficiency Opportunities Act, which came into effect in 2007. The Commonwealth legislation applies to all companies who use more than 0.5PJ of total energy. The legislation requires any company that reaches the 0.5PJ threshold to conduct assessments to identify potential opportunities to reduce energy use. Energy use across the business includes electricity, LPG, natural gas and diesel.

During the year, energy audits were conducted on three sites and the opportunities for improvements were largely around three main areas, namely: improving the efficiency of boilers, pellet presses, and compressors. Further information on Ridley's initiatives can be found in the public report which has been published on Ridley's website at www.ridley.com.au

Carbon Pollution Reduction Scheme

Ridley has been actively involved in discussions about the implications of a CPRS on the agricultural sector. Ridley participated in the Australian Farm Institute Round Table on agriculture and emissions trading and continues to play an active role in influencing the position the sector will take.

Ridley staff are also studying the potential impacts of the scheme on Ridley's business, particularly in terms of identifying opportunities to reduce energy use and identify opportunities to assist customers reduce their emissions through innovative feed offerings.

Water

Ridley continues to look for opportunities to reduce water usage. As detailed in last year's report, both businesses have implemented water management plans at some of the key sites and have identified a number of solutions to reduce water consumption at the mills and refineries.

Reducing the use of potable water has been the focus for most sites, and all sites are now monitoring and tracking their water consumption. Many have formal water management plans that have been lodged with local/state authorities. Some of the initiatives being used or investigated include the collection, treatment and use/reuse of rainwater, stormwater run-off and boiler blow down, particularly given that a significant amount of water is used through boilers.

Waste

Ridley AgriProducts and Cheetham Salt continue to reduce waste through improved efficiencies at refining and feed mill sites and by diverting as much waste as possible into recycling streams. The two businesses do not generate a significant amount of waste, however both demonstrate a real commitment to their recycling program. Ridley continues to be a signatory of the National Packaging Covenant and submitted a compliant plan for 2009.

Flora and fauna

Salt fields provide important ecosystems for a variety of flora and fauna. A number of the Cheetham sites contain birds or plants of state, national or international significance. Over the coming months, the extent of the biodiversity issues at the sites, and the implications for site management, will be reviewed. Currently the most significant issues exist at the Dry Creek and Bajool sites.

At the Bajool site there is a population of the Capricorn Yellow Chat which is listed as critically endangered under the Commonwealth Environment and Biodiversity Conservation Act 1999 (EPBC Act). Work being supported by the site has shown that the local population of these birds is larger than originally thought.

Both the Price and Dry Creek sites are listed as sites of international significance for shorebirds. 208 species of birds have been recorded at Dry Creek and a count of 375 recorded for faunal biodiversity. There are seven shorebirds listed as having international significance and three others having national significance. From a fauna perspective, 361 plants have been recorded, with 54 having conservation interest. These include one nationally vulnerable species that is listed under the EPBC Act and two species that are protected at the state level.

People

Training and development

Ridley is committed to investing in the development of its employees and is conscious of its role in building the skills base of the rural communities in which it operates.

Approximately 200 employees to date have completed the Certificate II and III in Food Processing. Additionally, 26 employees have completed the Certificate III in Customer Contact, which has been piloted to address this critical function of the business. The training strategy continues to focus on key business outcomes such as improving safety, quality, operational consistency and customer focus.

Ridley's innovative method of integrating core skills training has been recognised by industry and the Federal Government as best practice. The Organisational Development Manager presented as a guest speaker at the 2008 AgriFood Industry Skills Council Conference regarding its integrated core skills training across regional Australia. Additionally, Ridley AgriProducts' training methods were featured in a DVD produced by the Department of Education, Employment and Workplace Relations as an example of best practice.

Ridley has developed an integrated training funding model that provides excellent levels of regional training as cost-effectively as possible. This enables Ridley to achieve tangible performance improvements as well as raising the skills base of rural communities and significantly offsetting its training expense.

Ridley maintains a diverse and engaged workforce as a source of competitive advantage, and received a further commendation from the Equal Opportunity for Women in the Workplace Agency for its 2009 EOWA Compliance Report. This commendation noted Ridley's proactive commitment to ensuring equal employment and development opportunities for all employees.

Supporting our community

The Victorian bush fires on Saturday, 7 February 2009 had a devastating impact on individuals, communities, livestock and native animals.

As a result of the large loss of pasture and stock feed experienced by the farming community, Ridley partnered with the Victorian Farmers Federation (VFF) to donate in excess of $100,000 worth of stock feed.

Other suppliers within the industry partnered with Ridley by providing donations of grain and freight, all of which have been used directly to manufacture and transport feed to the much needed areas.

With the support of these business partners, the Ridley feed donation was in excess of 500 tonnes. This contribution was welcomed by the farming community and animal welfare groups in the fire affected areas.

Board of Directors

John S Kenniry AM BSc PhD FTSE FRACI FAICD

Independent Chairman, Age 66

A Director of the Company since 1990 and Chairman since March 1994, John formerly held executive positions with CSR Limited and Goodman Fielder Limited. He is presently Chairman of First Opportunity Fund Limited and a Director of NSW EPA, as well as a number of other corporations and statutory bodies. He is a past President of the Australian Chamber of Commerce and Industry.

Other current listed company directorships

First Opportunity Fund Limited from 1998
Mikoh Corporation Limited from 1994

Former listed company directorships in the last three years

Australian Biodiesel Group Limited from 2005 to 2008
Biosignal Limited from 2004

Richard J Lee BEng (Chem) (Hons) MA (Oxon) FAICD

Independent Deputy Chairman, Age 59

A Director since 2001, Rick is Chairman of Salmat, Chairman of C. Czarnikow Ltd, an Independent Director of CSR, Newcrest Mining, Wesfarmers General Insurance and Australian Rugby Union. He is also President of the NSW Council and a National Board Member of the Australian Institute of Company Directors. He was formerly Chief Executive of NM Rothschild Australia Group and prior to that spent 16 years in the CSR sugar division.

Other current listed company directorships

Salmat Limited from 2002
CSR Limited from 2005
Newcrest Mining Limited from 2007

Patria M Mann BEc CA MAICD

Independent Non-Executive Director, Age 47

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

John Murray GAICD

Managing Director, Age 58

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

John M Spark BComm FCA

Independent Non-Executive Director, Age 60

Appointed in January 2008, John is a Director of Newcrest Mining Limited. John was the Managing Partner of Ferrier Hodgson Melbourne and a global partner of Arthur Andersen Melbourne. He was a Director and Chairman of the Audit Committee of ANL Limited and Baxter Group Limited. He has an extensive background in accounting, auditing and financial analysis.

Other current listed company directorships

Newcrest Mining Limited from 2007

Former listed company directorships in the last three years

Baxter Group Limited from 2006 to 2007

Associate Professor Andrew L Vizard BVSc(Hons) MPVM

Independent Non-Executive Director, Age 51

A Director since 2001, Andrew is a senior consultant and former Director of the Mackinnon Project at the University of Melbourne. He is currently Chairman of Phosphagenics Limited, a board member of Animal Health Australia and a Trustee of the Australian Wool Education Trust. He has previously served on the board of several statutory bodies, scientific organisations and companies.

Other current listed company directorships

Phosphagenics Limited from 1999

Corporate Governance Statement

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

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

Board responsibilities

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

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

The management of the business is delegated to the Managing Director and Chief Executive Officer (in this statement, referred to hereafter as Managing Director), as designated by the Board, which has defined the limits of management responsibility. The Board is responsible for appointing and reviewing the performance of the Managing Director.

The Board has established an Audit Committee, a Remuneration and Nomination Committee and a Risk Review Committee to assist in the execution of its responsibilities. The roles of all Board committees are documented in committee charters which are reviewed and approved by the Board of Directors annually. 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.

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

Composition of the Board

The names, profiles, qualifications and experience of the Directors in office at the date of this statement are set out on pages 28 and 29.

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 an independent Non-Executive Director.
- The Board will comprise a majority of independent Non-Executive Directors. Currently, there is one Executive Director, the Managing Director.

Remuneration of Directors

Non-Executive Directors' fees are determined by the full Board within the aggregate of $700,000 approved by the shareholders at the Annual General Meeting (AGM) in 2003. Non-Executive Directors are not entitled to participate in the Company's equity participation schemes outlined in the Remuneration

Report, including share options or performance rights, nor do they receive incentive payments. However, they may participate in the Employee Share Acquisition Plan by salary sacrifice of their fees. In accordance with current corporate governance guidance, the Directors' retirement scheme was terminated at the October 2003 AGM. Directors' accrued entitlements at that date will be paid when they retire.

Details of the remuneration of Directors during the year are set out in the Remuneration Report.

Board meetings

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

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

Independent professional advice

Each Director has the right to seek independent professional advice relating to their duties and obligations as Directors at the Company's expense. However, prior approval of the Chairman is required, which is not unreasonably withheld.

Company Secretary

All Directors have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring compliance with procedures and applicable statutes and regulations. To enable the Board to function effectively, all Directors have full and timely access to information that is relevant to the proper discharge of their duties. This includes information such as corporate announcements, investor communications and other developments which may affect the Company and its operations. This also includes access to management where required.

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

Remuneration and Nomination Committee

The role of the Remuneration and Nomination 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, the Ridley Corporation Long Term Incentive Plan, Ridley Employee Share Scheme, Employee Share Acquisition Plan and incentive performance packages.

The committee is also responsible for evaluating the Board's performance; reviewing the size and composition of the Board; assessing the necessary and desirable competencies of Directors; reviewing Board succession plans, senior management succession plans and candidates to fill vacancies; and recommending their evaluations to the Board for approval.

The full Board is responsible for reviewing the performance of the Chairman.

The Remuneration and Nomination Committee meets at least twice a year and as required. All members of the committee must be independent Non-Executive Directors. The members of the Remuneration and Nomination Committee during the year were:

- JS Keniry, Independent Chairman; and
- RJ Lee, Independent Director.

Details of the Remuneration and Nomination Committee members' experience and technical expertise are set out in the Directors' biographies on pages 28 and 29.

Audit Committee

Board policy states that all members of the Audit Committee must be independent 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 auditors.

The committee makes recommendations to the Board on the appointment of the external auditors. The Committee approves the remuneration of the auditor and carries out an annual review of its work and performance. The Company's current Auditor, PricewaterhouseCoopers, has sought the consent of ASIC to resign as auditor of the Company in accordance with the Corporations Act 2001.

PricewaterhouseCoopers have been the Company's auditor since 1991. It is good corporate governance to review the external audit appointment on a regular basis. During the year the Company issued a request for proposal (RFP) for the provision of external audit services for Ridley Corporation Limited and its controlled entities. The RFP process was transparent and extensive. The Company invited all major Chartered Accounting firms to outline the benefits to the Company of appointing them as the Company's auditor. After presentations from each of the invited firms and conclusion of the assessment process, the Audit Committee recommended to the Board that, subject to shareholder approval, KPMG be appointed as the Company's auditor. It is envisaged that this appointment be similarly reviewed in the future.

Details of the amounts paid for audit and other services are set out in Note 26 of the Financial Report. The committee meets with the external auditor four times a year to discuss matters relevant to its terms of engagement and review any significant disagreements between management and the auditor. In addition, the committee meets with the auditor without the presence of management.

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

The committee is responsible for the independent whistleblower service that is available to all Australian employees.

The committee is responsible for the internal audit program of the Company, which is totally independent of the external audit function, though it is designed to complement it. The committee sets and agrees the internal audit program, receives and reviews all internal audit reports and meets with the internal auditor at least twice a year. The internal audit program was performed by Ernst & Young until 30 June 2009. It is also good corporate governance to review the internal audit appointment on a regular basis. Following an extensive review by the Audit Committee, Deloitte were appointed as the Company's internal auditors with effect from 1 July 2009. 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:

- PM Mann, Independent Director – Chairman;
- RJ Lee, Independent Director; and
- JM Spark, Independent Director.

Details of the Audit Committee members' experience and technical expertise are set out in the Directors' biographies on pages 28 and 29.

Scientific and Operational Risk Committee

This committee was formerly known as the Risk Review Committee. The committee changed its name to the Scientific and Operational Risk Committee to acknowledge its science, research and development and opportunities focus, whilst keeping the committee's essential risk management functions intact. This recognises an important focus for the Company, for example, as the national greenhouse and energy as well as carbon pollution reduction scheme reporting environments provide opportunity to explore energy efficiencies.

The Scientific and Operational Risk Committee was formed to undertake an ongoing, high level and wide ranging review of the major risk factors facing Ridley as a business and to ensure that responsibility for addressing and mitigating the potential impact of such risks was appropriately assigned and actioned. This committee is comprised of three Directors. Since March 30 2009, two Directors on this committee have been independent Non-Executive Directors and this committee's charter has been amended to require that two committee members must be independent Non-Executive Directors. The committee meets quarterly and as required.

The key responsibilities of the Scientific and Operational Risk Committee are to:

- ensure major business risks are identified and managed appropriately;
- review and recommend for approval the annual risk management plan; and
- enhance the understanding and management of risk in Ridley.

The members of the Scientific and Operational Risk Committee during the year were:

- AL Vizard, Independent Director – Chairman;
- J Murray, Managing Director;
- I Wilton, Finance Director to 3 November 2008, Chief Financial Officer and Risk Review Committee member to 30 March 2009; and
- JS Keniry, Independent Director (appointed 30 March 2009).

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, environmental and safety) comprehensive insurance programs and the retention of specialised staff and external advisors. The Company also has in place detailed policies and review processes covering 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. More information on this is contained in the Company's Sustainability Report on pages 25 to 27.

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 executives appointed as Directors of controlled entities.

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

Ethical standards

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

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

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

Securities trading

Directors and officers are only permitted to buy and sell Ridley securities when not in possession of price sensitive information and in the one month commencing two days after:

- the annual general meeting;
- the announcement of the full year results; and
- the announcement of the half year results.

A copy of the securities trading policy is available on the Ridley website www.ridley.com.au

Hedging of Ridley securities

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

Margin lending

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

Continuous disclosure and shareholder communication

Ridley makes timely and balanced disclosures of all material matters regarding the Company. All ASX releases are posted on the Company's website www.ridley.com.au as soon as it is disclosed to the ASX. Presentation material used in analysts' briefings is released to the ASX and posted on the Company's website.

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

Corporate reporting

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

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

The basis for the Integrity of the Financial Accounts Declaration is a comparison of Ridley's risk management framework with the recommendations of the report Internal Control – Integrated Framework Organisations (COSO) of the Treadway Commission. Ernst & Young prepared this comparison for Ridley in August 2004 and re-assessed its compliance in 2008. In 2008 Ridley introduced a formal certification policy.

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

Financial Report

Remuneration Report

The Directors present the Remuneration Report prepared in accordance with section 300A of the Corporations Act 2001 for the Company and the consolidated entity (the Group) for the financial year ended 30 June 2009. This report forms part of the Directors' Report for the year ended 30 June 2009. All disclosures required by AASB 124 Related Parties have been audited.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee (the Committee), consisting of up to three independent Non-Executive Directors, 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. The Committee is also responsible for evaluating the Board's performance, reviewing Board size and composition and setting the criteria for membership and candidates to fill vacancies.

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

Remuneration of Directors and executives

Principles used to determine the nature and amount of remuneration

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

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

The overall level of executive reward takes into account the performance of the Group over a number of years, with greater emphasis given to the current year. Since 2004, the consolidated entity's profit from ordinary activities after income tax and significant items has fluctuated significantly. The sale of Ridley Inc in the 2009 financial year has facilitated the retirement of significant debt and also reduced the Group's exposure to the fluctuations in the US markets. A focus on growth in local markets over the short to medium term is expected to generate shareholder wealth which has stagnated in recent years. Shareholder wealth is defined as dividends paid plus the increase in share price. Since 2002, when the current remuneration structure was fully implemented, incentive payments have fluctuated in line with business performance. In 2009 a number of options issued under the Ridley Corporation Incentive Option Plan expired with no benefit to the executives, as the share price performance target was not achieved.

Non-Executive Directors

Directors' fees

Directors' fees were last reviewed with effect from 1 November 2003. The Chair of the Audit Committee and Non-Executive Directors who sit on more than one committee receive additional fees.

The Chairman was also provided with an office at the Sydney corporate office and secretarial support until 31 March 2009. From 1 April 2009 the Chairman's annual Director fees increased to $175,000 to compensate for the loss of the office and support facility.

Directors' fees are determined within an aggregate Directors' fee pool limit, which is periodically recommended to shareholders for approval. The maximum currently stands at $700,000 as approved at the 2003 Annual General Meeting.

Retirement allowances for Directors

At the 2003 Annual General Meeting, shareholders approved the termination of the retirement allowance scheme. Directors' accrued entitlements at 31 October 2003 were frozen and will be paid when they retire.

Executives

The executive pay and reward framework has three components:

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

Remuneration Report continued

The combination of these comprises the executive's total remuneration.

Base pay and benefits

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

External consultants provide analysis and advice to ensure base pay and benefits are set to reflect the market for a comparable role. Base pay for senior executives is reviewed periodically to ensure the executive's pay is competitive with the market. An executive's pay may also be reviewed on promotion.

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

Short term incentives

Executives are eligible for short term incentive (STI) payments based on two components, being the financial performance of the Company and individual key performance indicators (KPIs). The STI is payable in cash after the release of the full year financial results.

Each year, appropriate financial targets and KPIs are set to link the STI plan to the priorities of the Company. This includes setting any target and maximum payout under the STI plan and minimum levels of performance to trigger payment of an STI.

The financial performance component of the STI is earned based on the performance against profit targets set at the commencement of the year. Profit was selected as the appropriate performance measure for the financial performance component of the STI, as profit is the key indicator of the success of the Company over the short term.

The KPI component of the STI is earned based on each executive's performance against their individual KPIs for the year.

For the year ended 30 June 2009, the KPIs were based on group, individual business unit and personal objectives. The KPIs required performance in reducing operating costs and achieving specific targets in relation to return on assets as well as other key, strategic non-financial measures, including safety.

Following the end of the financial year, financial results and each executive's performance against KPIs are reviewed to determine STI payments for each executive.

Long term incentives

In the year ended 30 June 2009, executives' and employees' long term incentives were by way of participation in the Ridley Corporation Long Term Incentive Plan, Ridley Employee Share Scheme and one-off retention plans. These long term incentive programs align the interests of executives more closely with those of Ridley shareholders and reward sustained superior performance.

Directors and senior executives are not permitted to enter into any transaction that is designed or intended to hedge their exposure to Ridley securities.

Current long term incentive plans

Ridley Corporation Long Term Incentive Plan

The purpose of the Ridley Corporation Long Term Incentive Plan is to provide long term rewards that are linked to shareholder returns. This plan was introduced in October 2006 and replaced the Ridley Corporation Incentive Option Plan.

Under the Ridley Corporation Long Term Incentive Plan, selected executives and the Managing Director may be offered a number of performance rights (Right). Each Right provides the entitlement to acquire one Ridley share at nil cost.

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

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

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

The shares to satisfy awards under the plan may be newly issued or purchased on the market.

During the year ended 30 June 2009, 750,000 (2008: 2,119,000) performance rights were issued under the plan.

The following table provides a summary of Ridley TSR performance for each tranche of performance rights on issue at the year end measured against the median percentage ranking amongst competitors. TSR calculations include the 30 day average at the start of each period. The number of comparison companies reflects the loss of companies from the indices, for example due to takeover or de-listing.

The pattern reflects the experience of Ridley TSR falling less than most companies during the global financial crisis but also rising less in the subsequent rebound.

Start Date	End Date	TSR Ridley	Median TSR Comparison	Comparison Count
31 Oct 2007	30 Jun 2009	-24.0%	-52.6%	169
07 Apr 2008	30 Jun 2009	-23.7%	-37.6%	179
05 May 2008	30 Jun 2009	-20.2%	-41.1%	179
05 Dec 2008	30 Jun 2009	-2.8%	29.7%	187
14 Apr 2009	30 Jun 2009	16.4%	23.5%	193

Ridley Employee Share Scheme

At the 1999 Annual General Meeting, shareholders approved the introduction of the Ridley Employee Share Scheme. Under the scheme, shares are offered to all permanent Australian employees with a minimum of 12 months' service, at a discount of up to 50%, financed by an interest-free loan secured against the shares. The maximum discount per employee is limited to $1,000 annually in accordance with relevant Australian taxation legislation. Dividends on the shares are allocated against the loan. The amount of the discount and number of shares allocated is at the discretion of the Directors. The purpose of the scheme is to align employee and shareholder interests. 978,436 (2008: 670,582) shares were issued under this scheme during the year for $331,000 (2008: $374,000). The market value of the shares issued was $685,000 (2008: $671,000). The total loan amount outstanding at 30 June 2009 was $1,160,000 (2008: $1,254,000).

Retention payments

In light of the historical Canadian legal claims, the Board determined that there was a heightened need for consistency and continuity of senior management. To facilitate his retention, Finance Director Mr Ian Wilton was entitled to receive two payments equal to 50% of base pay. The first payment was made on 1 June 2007 and the second payment was due to be paid on 1 June 2009. However, the Finance Director ceased employment on 31 March 2009, and was paid $243,510, of which $57,935 was expensed during the year.

Legacy plans

Ridley Corporation Incentive Option Plan

During the year ended 30 June 2009, no ordinary shares were issued on the exercise of options granted under the plan (2008: nil). All outstanding options expired in the year ended 30 June 2009. The plan was replaced by the Ridley Corporation Long Term Incentive Plan in October 2006.

Ridley Inc

A subsidiary, Ridley Inc, was disposed of, on 5 November 2008. Ridley Inc employees were able to participate in the Ridley Inc Stock Option Plan. An incentive plan for certain eligible executives known as the Ridley Inc Long Term Incentive Program was also provided. A retention plan for key executives was established in order to retain their services during the sale process. All commitments in respect of Ridley Inc have been settled in full during the year ended 30 June 2009.

Directors and key management personnel

The following persons were the Directors and executives with the greatest authority for the strategic direction and management of the consolidated entity (key management personnel) during the current financial year and include the five highest paid executives within the Group and the Company:

Name	Position
Directors	
JS Keniry	Chairman
RJ Lee	Deputy Chairman
J Murray	Managing Director
PM Mann	Director
JM Spark	Director
AL Vizard	Director
I Wilton	Finance Director (resigned as a Director on 3 November 2008)
Executives	
AM Boyd	Chief Financial Officer and Company Secretary – Ridley Corporation (commenced 14 April 2009)
WH Fell	General Manager – Sales and Marketing Ridley AgriProducts (commenced 1 April 2009)
RE Frost*	Executive Vice President – Ridley Inc and President – Ridley Nutrition Solutions
MJ Hudspith*	Executive Vice President – Ridley Inc, President – Ridley Feed Operations and President – Ridley Feed Ingredients
RN Lyons	General Manager Corporate Development – Ridley AgriProducts
MS Mitchell*	Chief Financial Officer – Ridley Inc
AM Mooney	General Manager – Commercial – Ridley Corporation
AL Speed	General Manager – Cheetham Salt
SJ VanRoekel*	President and Chief Executive Officer – Ridley Inc
GP Watts	General Manager Finance – Ridley Corporation
PJ Weaver	Chief Operating Officer – Ridley AgriProducts
C Klem	Strategy and Corporate Development
I Wilton	Chief Financial Officer – Ridley Corporation (ceased employment on 31 March 2009)

* Ceased as key management personnel on disposal of Ridley Inc on 5 November 2008.

Details of remuneration

Details of the remuneration of each Director of Ridley Corporation Limited, each of the key management personnel of the consolidated entity and the five most highly remunerated senior executives of the Company and the Group during the financial year are set out below. In accordance with the requirements of Section 300A of the Corporations Act 2001 and Regulation 2M.3.03, the remuneration disclosures for the 2009 and 2008 financial years only include remuneration relating to the portion of the relevant periods that each individual was considered a key management personnel. As a result this approach can distort year on year remuneration comparisons.

All values are in A$ unless otherwise stated.

2009	Short Term Benefits					Post-Employment Benefits	Other	Share-Based Payments		
Name	**Directors' Fees and Cash Salary $**	**Bonus $**	**Retention Payments $**	**Other Benefits $**	**Movement in Leave Provisions+ $**	**Super-annuation $**	**Term-ination $**	**Performance Rights/ Options $**	**Total $**	**%[5]**
Directors										
JS Keniry – Chairman	143,453	-	-	-	-	12,964	-	-	156,417	-
RJ Lee – Deputy Chairman	107,903	-	-	-	-	9,764	-	-	117,667	-
J Murray – Managing Director	521,260	310,000	-	-	24,943	98,740	-	94,067	1,049,010	9%
PM Mann	77,037	-	-	-	-	6,963	-	-	84,000	-
JM Spark	69,371	-	-	-	-	6,296	-	-	75,667	-
I Wilton [1]	160,744	-	57,935	-	-	75,000	243,510	157,469	694,658	23%
AL Vizard	67,890	-	-	-	-	6,110	-	-	74,000	-
Total Directors	**1,147,658**	**310,000**	**57,935**	**-**	**24,943**	**215,837**	**243,510**	**251,536**	**2,251,419**	
Executives										
AM Boyd [2] ^	38,973	-	-	-	7,450	7,393	-	6,563	60,379	11%
WH Fell [3]	68,182	-	-	-	7,001	6,818	-	-	82,001	-
RE Frost [4]	92,902	35,373	-	11,218	-	14,919	-	-	154,412	-
MJ Hudspith [4]	90,005	35,373	-	10,046	-	2,282	-	-	137,706	-
CW Klem ^	195,550	-	-	999	(3,984)	17,600	-	-	210,165	-
RN Lyons	184,412	74,115	-	999	21,045	70,212	-	-	350,783	-
MS Mitchell [4]	84,020	35,373	-	11,125	-	9,686	-	-	140,204	-
AM Mooney ^	195,128	56,250	-	999	10,728	16,184	-	18,354	297,643	6%
AL Speed	260,010	60,000	-	-	5,769	13,745	-	18,354	357,878	5%
SJ VanRoekel [4]	124,363	35,373	-	8,234	-	3,656	-	-	171,626	-
GP Watts ^	181,015	86,976	-	999	18,340	100,000	314,745	31,625	733,700	4%
PJ Weaver	257,172	85,950	-	999	15,455	32,228	-	18,354	410,158	4%
Total executives	**1,771,732**	**504,783**	**-**	**45,618**	**81,804**	**294,723**	**314,745**	**93,250**	**3,106,655**	
Total	**2,919,391**	**814,783**	**57,935**	**45,618**	**106,747**	**510,560**	**558,255**	**344,786**	**5,358,074**	

1. Resigned as Director on 3 November 2008 and ceased employment on 31 March 2009.
2. Commenced employment on 14 April 2009.
3. Commenced employment on 1 April 2009.
4. Ceased as key management personnel on disposal of Ridley Inc on 5 November 2008.
5. Percentage remuneration consisting of performance rights/options.

^ Highest paid executives in Ridley Corporation as required by the Corporations Act.

\+ Movement in annual leave and long service leave provisions.

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

During the year ended 30 June 2009, a total of 750,000 performance rights were issued of which 600,000 (2008: 412,000) were granted as remuneration to key management personnel.

2008	Short Term Benefits					Post-Employment Benefits	Other	Share-Based Payments		
Name	Directors' Fees and Cash Salary $	Bonus $	Retention Payments $	Other Benefits $	Movement in Leave Provisions+ $	Super-annuation $	Term-ination $	Performance Rights $	Total $	%[9]
Directors										
JS Keniry – Chairman*	139,760	-	-	62,080	-	12,579	-	-	214,419	-
RJ Lee – Deputy Chairman	106,962	-	-	-	-	9,627	-	-	116,589	-
J Murray – Managing Director [1]	357,334	302,560	-	999	38,872	98,128	-	47,686	845,579	6%
MP Bickford-Smith [2]	277,217	-	166,193	-	-	24,826	1,232,729	(114,535)	1,586,430	-
EB Bryan [3]	24,159	-	-	-	-	2,174	-	-	26,333	-
RJ Lotze [4]	6,422	-	-	-	-	72,911	-	-	79,333	-
PM Mann [5]	22,496	-	-	-	-	2,025	-	-	24,521	-
JM Spark [6]	30,873	-	-	-	-	2,779	-	-	33,652	-
I Wilton [7]	416,356	133,000	64,491	999	11,355	100,000	-	51,916	778,117	7%
AL Vizard	67,890	-	-	-	-	6,110	-	-	74,000	-
Total Directors	**1,449,469**	**435,560**	**230,684**	**64,078**	**50,227**	**331,159**	**1,232,729**	**(14,933)**	**3,778,973**	
Executives										
RE Frost	256,866	72,564	33,580	28,515	-	42,489	-	-	434,014	-
MJ Hudspith	209,686	103,461	33,580	26,282	-	6,498	-	-	379,507	-
MD MacKay [8 X]	144,797	-	-	-	-	-	159,122	-	303,919	-
MS Mitchell	232,309	126,608	33,580	28,320	-	27,586	-	-	448,403	-
AM Mooney [X]	196,696	49,192	-	999	4,968	-	-	8,833	260,688	3%
AD Murdoch [8 X]	336,208	-	-	999	-	-	538,160	3,467	878,834	0%
SC Myers [8 X]	227,230	50,000	-	999	16,123	-	-	-	294,352	-
AL Speed	186,730	60,000	-	-	18,042	-	-	8,833	273,605	3%
GP Watts [X]	274,281	41,529	-	999	12,761	-	-	11,288	340,858	3%
SJ VanRoekel	343,855	255,003	33,580	26,587	-	10,412	-	-	669,437	-
Total executives	**2,408,658**	**758,358**	**134,318**	**113,700**	**51,894**	**86,985**	**697,282**	**32,421**	**4,283,617**	
Total	**3,858,127**	**1,193,918**	**365,002**	**177,778**	**102,121**	**418,144**	**1,930,011**	**17,488**	**8,062,589**	

1. Appointed on 7 May 2008.
2. Resigned on 20 December 2007.
3. Resigned on 31 October 2007.
4. Resigned on 10 June 2008.
5. Appointed on 4 March 2008.
6. Appointed on 21 January 2008.
7. Appointed on 7 May 2008.
8. Ceased employment on 7 April 2008.
9. Percentage remuneration consisting of performance rights/options.

* Ridley Inc made an ex gratia payment to JS Keniry on his retirement as Chairman of Ridley Inc.
\+ Movement in annual leave and long service leave provisions.
X Five highest paid executives in Ridley Corporation as required by the Corporations Act.

Service agreements

Remuneration and other terms of employment for the Managing Director, (and also for the Chief Executive Officer of Ridley Inc whilst a member of the consolidated entity until disposal of Ridley Inc on 5 November 2008), are formalised in service agreements. Each of these agreements provides for the provision of performance related bonuses and other benefits, and participation, when eligible, in the Ridley Corporation Long Term Incentive Plan. Other major provisions of the agreements relating to remuneration are set out below.

J Murray – Managing Director, Ridley Corporation Limited:

- term of agreement – three years ending May 2011;
- base remuneration, inclusive of superannuation, of $635,500 to be reviewed annually by the Remuneration and Nomination Committee, with base salary increasing by the greater of the percentage increase in CPI and the amount agreed as a result of an independent review;
- payment of termination benefit on early termination by the employer, other than for cause, is capped at $620,000; and
- incentive bonuses up to 100% of base salary based on the achievement of certain agreed KPIs as approved by the Board.

Other senior executives are not subject to service agreements and have no fixed term of employment.

Notice periods

The notice period for terminating employment of key management personnel ranges from three months to one year.

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

	Cash Bonus	
Name	**Paid %**	**Forfeited %**
AM Boyd [1]	-	-
WH Fell [2]	-	-
RE Frost [3]	-	-
MJ Hudspith [3]	-	-
RN Lyons	27.5%	2.5%
MS Mitchell [3]	-	-
AL Speed	20%	30%
SJ VanRoekel [3]	-	-
AM Mooney	22.5%	7.5%
CW Klem	30%	-
GP Watts	30.5%	4.5%
PJ Weaver	28.7%	1.3%
I Wilton [4]	-	-

1. Commenced employment on 14 April 2009.
2. Commenced employment on 1 April 2009.
3. Ceased as key management personnel on disposal of Ridley Inc on 5 November 2008.
4. Ceased employment on 31 March 2009.

Share-based compensation – performance rights

The terms and conditions of each grant of performance rights during the year to Directors, key management personnel and senior staff in this financial year are as follows:

Grant Date	Expiry/ Exercisable Date	Number	Value Per Performance Right at Grant Date	Value at Grant Date
5 Dec 2008	5 Dec 2011	525,000	$0.35	$0.35
14 April 2009	14 April 2012	225,000	$0.35	$0.35

Equity instrument disclosures relating to Directors and executives

Performance rights provided as remuneration

Details of performance rights over ordinary shares in the Company provided as remuneration to each Director of Ridley Corporation Limited and each of the other key management personnel of the consolidated entity are set out below. When exercisable, each performance right is convertible into one ordinary share of Ridley Corporation Limited.

Recipients of Performance Rights	Balance at 1 July 2008	Granted	Exercised/ Vested	Lapsed/ Forfeited	Balance at 30 June 2009	Exercise Date	Value Per Share at Date of Exercise
Directors							
J Murray	550,000	-	-	-	550,000	-	-
I Wilton [1]	482,000	-	(382,000)	(100,000)	-	22 April 2009	0.82
Key management personnel							
AM Boyd [2]	-	225,000	-	-	225,000	-	-
RN Lyons [3]	75,000	75,000	-	-	150,000	-	-
AM Mooney [3]	75,000	75,000	-	-	150,000	-	-
AL Speed [3]	75,000	75,000	-	-	150,000	-	-
GP Watts [3]	75,000	75,000	-	-	150,000	-	-
PJ Weaver [3]	75,000	75,000	-	-	150,000	-	-
Total issued to Directors and key management personnel	**1,407,000**	**600,000**	**(382,000)**	**(100,000)**	**1,525,000**	**-**	**-**

1. Resigned as Director on 3 November 2008 and ceased employment on 31 March 2009.
2. Performance rights granted on commencement of employment on 14 April 2009.
3. Performance rights granted on 5 December 2008.

Loans to Directors and executives

Aggregate of loans made to Directors of Ridley Corporation Limited and the other key management personnel of the consolidated entity including their personally-related entities, are set out below:

	Balance at the Start of Year $	Issued in Year $	Repaid in Year[1] $	Balance at the End of the Year $	Number in Group at End of Year
2009					
Directors of Ridley Corporation Limited	6,316	-	(4,688)	1,628	1
Other key management personnel of the consolidated entity	13,704	5,000	(2,044)	16,660	5
2008					
Directors of Ridley Corporation Limited	-	6,316	-	6,316	2
Other key management personnel of the consolidated entity	6,678	-	(6,678)	-	-

1. Ridley dividends from shares acquired under the Ridley Employee Share Scheme are applied against outstanding loan balances until the loans have been repaid in full. The shares as disclosed were acquired by key management personnel prior to their appointment as Directors.

Directors' Report
For the year ended 30 June 2009

The Directors present their report on the consolidated entity (the Group or consolidated entity) consisting of Ridley Corporation Limited (the Company) and the entities it controlled at the end of, or during, the year ended 30 June 2009.

1. Directors

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

JS Keniry
RJ Lee
PM Mann
J Murray
JM Spark
AL Vizard
I Wilton (resigned 3 November 2008)

2. Principal activities

The principal continuing activities of the consolidated entity during the year were the production and marketing of stockfeed and animal feed supplements and the production of crude salt, salt refining and marketing.

3. Results

	2009 $'000	2008 $'000
Profit from continuing operations before income tax	16,081	2,703
Income tax (benefit)/expense	3,172	(2,798)
Operating profit from continuing operations of the consolidated entity	12,909	5,501
(Loss)/profit from discontinued operations	(52,442)	7,274
Profit attributable to minority interest	-	2,270
(Loss)/profit attributable to members of Ridley Corporation Limited	(39,533)	10,505

4. Review of operations

Information on the operations and financial position of the Group and its business strategies and prospects is set out in the review of operations and activities in the Annual Report.

5. Significant changes in the state of affairs

Significant changes in the state of affairs of the Group during the financial year were as follows:

The sale of Ridley Inc was completed on 5 November 2008. For details of the sale see Note 6 to the financial statements.

6. Dividends

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

	2009 $'000	2008 $'000
Final dividend for the year ended 30 June 2008 of 3.5 cents (2007: 3.5 cents) per share paid on 14 October 2008	10,471	10,218
Interim dividend for the year ended 30 June 2009 of 3.5 cents (2008: 3.5 cents) per share paid on 31 March 2009	10,604	10,368
	21,075	20,586

In addition to the above, Directors have declared a final dividend of 3.5 cents per share (unfranked) totalling $10,773,597 to be paid on 16 October 2009 out of retained profits at 30 June 2009.

7. Environmental regulation

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

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

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

Greenhouse gas and energy data reporting requirements

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

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

The National Greenhouse and Energy Reporting Act 2007 requires the Group to report its annual greenhouse gas emissions and energy use in 2011. The Group registered in August 2009 and is further developing systems and processes for the collection and calculation of the data required to fulfil reporting requirements.

8. Directors' and executives' remuneration

Refer to the Remuneration Report.

9. Share options and performance rights

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

	Number	Expiry Date
Ridley Corporation Long Term Incentive Plan (Performance Rights)	1,675,000	Various

No holder has any right under the plans to participate in any other share issue of the Company or of any other entity. The entity will issue shares when the options and performance rights are exercised. Further details are provided in Note 27 in the Financial Report and the Remuneration Report.

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

10. Information on Directors

Particulars of shares and options held by Directors in the Company together with a profile of the Directors are set out in the Board of Directors section in the Annual Report and Note 30 in the Financial Report.

11. Meetings of Directors

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

	Board		Audit Committee		Remuneration and Nomination Committee		Scientific and Operational Risk Committee[1]		Takeover Response Committee[2]		Finance Committee[3]	
	H	A	H	A	H	A	H	A	H	A	H	A
Directors												
JS Keniry	11	11	-	-	8	8	1	1	1	1	1	1
RJ Lee	11	11	5	5	8	8	-	-	1	-	1	1
PM Mann	11	10	5	5	-	-	-	-	-	-	-	-
J Murray	11	11	-	-	-	-	4	4	1	1	1	1
JM Spark	11	11	5	5	-	-	-	-	1	-	1	1
AL Vizard	11	10	-	-	-	-	4	4	-	-	-	-
I Wilton	5	5	-	-	-	-	2	2	1	1	1	1

H Number of meetings 'held' during period of office.

A Number of meetings 'attended'.

1. Formerly the Risk Review Committee.
2. Final meeting held early in 2008 after eight meetings held in prior year.
3. Specifically constituted to renegotiate banking facility.

12. Company Secretary

The Company Secretary during the year was Gregory P Watts, who has been employed by the Company as the Group General Manager Finance. Mr Watts was appointed to the position of Company Secretary in 2004. Mr Watts resigned as Company Secretary on 27 July 2009 and Mr Alan Boyd was appointed on 27 July 2009. Mr Boyd is the Group's Chief Financial Officer and is a Fellow of the Chartered Institute of Company Secretaries and a member of the Institute of Chartered Accountants in England and Wales and a member of the Institute of Chartered Accountants in Australia.

13. Post balance date events

No matters or circumstances have arisen since 30 June 2009 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.

14. Insurance

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

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

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

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

Directors' Report continued
For the year ended 30 June 2009

15. Non-audit services

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

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

- all non-audit services have been reviewed by the Audit Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in Professional Statement F1, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on page 47.

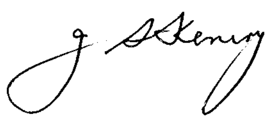
During the year the following fees were paid or payable for services provided by the auditor of the Parent Entity, its related practices and non-related audit firms:

	$
Tax compliance services	58,269
Tax advice	3,000
Other assurance engagements	143,000
Total	**204,269**

16. 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.

Signed in Sydney 24 August 2009 in accordance with a resolution of the Directors.



JS Keniry
Director

PM Mann
Director

Sydney
24 August 2009

Auditor's Independence Declaration

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers
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As lead auditor for the audit of Ridley Corporation Limited for the year ended 30 June 2009, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

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

This declaration is in respect of Ridley Corporation Limited and the entities it controlled during the year.

Lisa Harker

Lisa Harker
Partner

PricewaterhouseCoopers

PricewaterhouseCoopers

Melbourne
24 August 2009

Income Statements

For the year ended 30 June 2009

		Consolidated		Parent Entity	
	Note	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000
Revenue from continuing operations	2	**819,437**	838,373	**41,331**	51,927
Cost of sales		**(741,333)**	(767,586)	**-**	-
Gross profit		**78,104**	70,787	**41,331**	51,927
Other income	3	**1,379**	872	**-**	19
Expenses from continuing operations					
Selling and distribution		**(16,031)**	(15,535)	**-**	-
General and administrative		**(31,952)**	(30,284)	**(7,849)**	(9,420)
Finance costs	4	**(13,367)**	(15,207)	**(13,235)**	(15,458)
Impairment of assets and restructure costs	5	**(8,974)**	(13,046)	**(1,185)**	(2,470)
Other	5	**(139)**	(1,749)	**(139)**	(1,749)
Share of net profits from associates	38	**7,061**	6,865	**-**	-
Profit from continuing operations before income tax expense		**16,081**	2,703	**18,923**	22,849
Income tax (benefit)/expense	7	**3,172**	(2,798)	**4,441**	1,245
Profit from continuing operations after income tax expense		**12,909**	5,501	**14,482**	21,604
(Loss)/profit from discontinued operations	6	**(52,442)**	7,274	**(130)**	-
(Loss)/profit for the year		**(39,533)**	12,775	**14,352**	21,604
Profit attributable to minority interest		**-**	2,270	**-**	-
Net (loss)/profit after tax attributable to members of Ridley Corporation Limited		**(39,533)**	10,505	**14,352**	21,604
Basic earnings per share from continuing operations	35	**4.3c**	1.9c		
Basic earnings per share	35	**(13.0c)**	3.6c		
Diluted earnings per share from continuing operations	35	**4.3c**	1.9c		
Diluted earnings per share	35	**(13.0c)**	3.6c		

The above Income Statements should be read in conjunction with the accompanying notes.

Balance Sheets
As at 30 June 2009

	Note	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent Entity 2009 $'000	Parent Entity 2008 $'000
Current assets					
Cash and cash equivalents	32(ii)	**280**	1,836	**5,042**	4,891
Receivables	9	**94,374**	115,198	**144**	3,530
Inventories	10	**79,218**	89,208	**-**	-
Derivative financial instruments	23	**-**	1,041	**-**	1,041
Current tax receivable	14	**1,830**	-	**1,830**	-
Assets of disposal group classified as held for sale	6	**-**	273,798	**-**	83,808
Total current assets		**175,702**	481,081	**7,016**	93,270
Non-current assets					
Receivables	9	**-**	5	**315,327**	336,905
Investments accounted for using the equity method	38	**44,233**	44,233	**-**	-
Property, plant and equipment	12	**224,792**	256,725	**226**	342
Deferred tax assets	14	**-**	438	**2,231**	764
Intangible assets	13	**23,894**	20,115	**130**	2,149
Retirement benefit assets	28	**-**	905	**-**	905
Other non-current assets	11	**-**	-	**24,645**	24,645
Total non-current assets		**292,919**	322,421	**342,559**	365,710
Total assets		**468,621**	803,502	**349,575**	458,980
Current liabilities					
Payables	15	**97,137**	104,517	**2,793**	4,450
Borrowings	16	**1,969**	1,674	**-**	-
Current tax liabilities	17	**7,216**	-	**7,216**	-
Provisions	18	**11,523**	14,022	**886**	398
Derivative financial instruments	23	**3,262**	-	**3,262**	-
Liabilities of disposal group classified as held for sale	6	**-**	118,730	**-**	-
Total current liabilities		**121,107**	238,943	**14,157**	4,848
Non-current liabilities					
Borrowings	16	**67,445**	183,023	**67,445**	182,883
Deferred tax liabilities	17	**2,309**	10,357	**-**	-
Provisions	18	**1,487**	1,735	**375**	533
Retirement benefit obligations	28	**62**	-	**62**	-
Total non current liabilities		**71,303**	195,115	**67,882**	183,416
Total liabilities		**192,410**	434,058	**82,039**	188,264
Net assets		**276,211**	369,444	**267,536**	270,716
Equity					
Contributed equity	19	**235,053**	228,566	**235,053**	228,566
Reserves	20	**37,447**	56,279	**1,618**	17,201
Retained profits	20	**3,711**	35,674	**30,865**	24,949
Parent Entity interest		**276,211**	320,519	**267,536**	270,716
Minority interest/discontinued operation	21	**-**	48,925	**-**	-
Total equity		**276,211**	369,444	**267,536**	270,716

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

Statements of Recognised Income and Expense

For the year ended 30 June 2009

	Note	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent Entity 2009 $'000	Parent Entity 2008 $'000
Income and expenses recognised directly in equity					
Loss on revaluation/impairment of land and buildings, net of tax		**(17,620)**	(928)	**-**	-
Actuarial gain/(loss) on defined benefit superannuation and pension plans, net of tax		**(803)**	553	**(803)**	489
Changes in the fair value of cash flow hedges, net of tax		**(3,048)**	534	**(3,048)**	534
Exchange differences on translation of foreign operations		**57,344**	(19,068)	**-**	-
Net income/(expense) recognised directly in equity		**35,873**	(18,909)	**(3,851)**	1,023
(Loss)/profit for the year	22	**(39,533)**	12,775	**14,352**	21,604
Total recognised income and expense for the year		**(3,660)**	(6,134)	**10,501**	22,627
Total recognised income and expense for the year is attributable to:					
Ridley Corporation Limited		**(21,226)**	(2,626)	**10,501**	22,627
Minority interest		**17,566**	(3,508)	**-**	-
		(3,660)	(6,134)	**10,501**	22,627

The above Statements of Recognised Income and Expense should be read in conjunction with the accompanying notes.

Statements of Cash Flows

For the year ended 30 June 2009

	Note	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent Entity 2009 $'000	Parent Entity 2008 $'000
Cash flows from operating activities					
Receipts from customers		**921,629**	901,544	**-**	-
Payments to suppliers and employees		**(864,433)**	(894,465)	**(12,018)**	(12,218)
Dividends received		**7,598**	7,382	**4,654**	15,945
Interest received		**939**	507	**30,400**	28,147
Other revenue received		**874**	841	**6,277**	6,549
Interest and other costs of finance paid		**(14,135)**	(14,581)	**(13,135)**	(15,025)
Income taxes (paid)/refunded		**494**	(2,153)	**494**	(2,153)
Net cash inflow/(outflow) from operating activities	32(i)	**52,966**	(925)	**16,672**	21,245
Cash flows from investing activities					
Net proceeds from sale of controlled entities	6(e)	**91,602**	-	**91,602**	-
Payments for property, plant and equipment		**(14,218)**	(19,102)	**-**	(108)
Payments for intangibles		**(5,094)**	(3,915)	**(41)**	(2,001)
Proceeds from sale of non-current assets		**2,916**	312	**69**	87
Loans to controlled entities		**-**	-	**21,577**	(41,517)
Net cash inflow/(outflow) from investing activities		**75,206**	(22,705)	**113,207**	(43,539)
Cash flows from financing activities					
Proceeds from issue of equity instruments		**265**	210	**265**	210
Shares repurchased		**(950)**	(757)	**(950)**	(757)
Proceeds from borrowings		**164,000**	232,171	**164,000**	230,900
Repayment of borrowings		**(279,300)**	(197,600)	**(279,300)**	(197,600)
Dividends paid		**(13,743)**	(12,542)	**(13,743)**	(12,542)
Net cash inflow/(outflow) from financing activities		**(129,728)**	21,482	**(129,728)**	20,211
Net increase/(decrease) in cash held		**(1,556)**	(2,148)	**151**	(2,083)
Cash at the beginning of the financial year		**1,836**	3,984	**4,891**	6,974
Effects of exchange rate variations on cash		**-**	-	**-**	-
Cash at the end of the financial year	32(ii)	**280**	1,836	**5,042**	4,891
Non-cash financing and investing activities	33				

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

Notes to the Financial Statements

Note 1. Summary of significant accounting policies

Ridley Corporation Limited (the Company) is a company limited by shares, incorporated and domiciled in Australia and whose shares are publicly traded on the Australian Securities Exchange. The Financial Report includes separate financial statements for Ridley Corporation Limited as an individual entity and the Group consisting of Ridley Corporation Limited and its subsidiaries.

The Financial Report was authorised for issue by the Directors on 24 August 2009.

The principal accounting policies adopted in the preparation of the Financial Report are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

This general purpose Financial Report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001.

Compliance with IFRS

The Financial Report of Ridley Corporation Limited also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities, including derivative instruments at fair value through profit or loss, and certain classes of property, plant and equipment.

Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Ridley Corporation Limited, the 'Parent Entity,' as at 30 June 2009 and the results of all subsidiaries for the year then ended. Ridley Corporation Limited and its subsidiaries together are referred to in this Financial Report as 'the Group' or 'the consolidated entity'.

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

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

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

Minority interest in the results and equity of subsidiaries is shown separately in the consolidated Income Statements and Balance Sheets respectively.

Investments in subsidiaries are accounted for at cost in the Parent Entity.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for at cost within the Parent Entity's financial statements and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost. The Group's investment in associates include goodwill identified on acquisition.

The Group's share of its associates' post acquisition profits or losses is recognised in the Income Statement, and its share of post acquisition movements in reserves is recognised in reserves. The cumulative post acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates reduce the carrying amount of the investment.

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

(iii) Jointly controlled assets

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

Segmental reporting

The Group operates in a number of business and geographic segments. A segment is identified as a group of assets and operations engaged in providing products where the risks and returns are different to those of the other segments.

Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement, except when deferred in equity as qualifying cash flow hedges.

(iii) Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that Balance Sheet;
- income and expenses for each Income Statement are translated at average exchange rates; and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the Income Statement, as part of the gain or loss on sale where applicable. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

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

One Australian Dollar Equivalent	**2009**	2008
Balance Sheet (year end rate)		
United States dollar	**0.8142**	0.9631
Canadian dollar	**0.9335**	0.9778
Income Statement (average rate)		
United States dollar	**0.7516**	0.8934
Canadian dollar	**0.8626**	0.8894

Property, plant and equipment

Land and buildings and salt fields are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Note 1. Summary of significant accounting policies continued

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

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

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

- Buildings – 40 years
- Plant and equipment – 3-30 years

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Income Statement.

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

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

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

Current assets, deferred tax assets and liabilities, employee benefits and financial instruments within a disposal group are measured in accordance with the relevant accounting standards.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

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

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

Income tax

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

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

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

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

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

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

Deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Tax consolidation

Ridley Corporation Limited and its wholly owned Australian controlled entities implemented the tax consolidation legislation as of 1 July 2003.

The head entity, Ridley Corporation Limited, and the controlled entities in the tax consolidated group, continue to account for their own current and deferred tax amounts. These tax amounts are measured using a stand alone taxpayer method of allocation as outlined in the Group's tax sharing agreement.

In addition to its own current and deferred tax amounts, Ridley Corporation Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group. Assets or liabilities arising under tax funding arrangements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group and settled through the intercompany accounts.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to, or distribution from, wholly-owned tax consolidated entities.

Business combinations

The purchase method of accounting is used to account for all acquisitions of assets, including business combinations, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the Income Statement, only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in the Income Statement unless the derivative is designated as a hedging instrument, in an effective cash flow hedge, where the gain or loss is deferred within equity until the underlying hedged item is settled.

The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

Notes to the Financial Statements continued

Note 1. Summary of significant accounting policies continued

(i) Cash flow hedge

The Group enters into interest rate swaps to mitigate the risk associated with changes in the value of future cash flows in relation to variable rate debt due to fluctuations in the interest rate. The effective portion of changes in the fair value of the interest rate swaps that are designated and qualify as cash flow hedges are recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Income Statement within other income or other expenses.

Amounts accumulated in equity are recycled in the Income Statement within finance costs in the periods when the hedged item will affect the Income Statement.

When a hedging instrument expires or is terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the hedged item is ultimately recognised in the Income Statement.

(ii) Derivatives that do not qualify for hedge accounting

Certain derivative instruments, including foreign exchange contracts and interest rate swaps, may not qualify for hedge accounting. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the Income Statement within other income or other expenses.

Fair value estimation

The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the balance date.

Other financial assets – loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the Balance Sheet date that are classified as non-current assets.

Intangible assets

(i) Goodwill

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

(ii) Trademarks and licences

Trademarks and licences have a finite useful life and are carried at cost less accumulated amortisation and impaired losses. Amortisation is calculated using the straight line method to allocate the cost of trademarks and licences over their estimated useful lives, being up to 15 years.

(iii) Software

The cost of system development including purchased software is deferred and amortised over the estimated useful life, being three to eight years.

Impairment of assets

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

Employee benefits

(i) Defined benefit superannuation funds and pension plans

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

Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to retained earnings via the statement of recognised income and expense.

Past service costs are recognised immediately in income, unless the changes are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight line basis over the vesting period.

Future taxes, such as taxes on investment income and employer contributions, are taken into account in the actuarial assumptions used to determine the relevant components of the employer's defined benefit liability or asset.

(ii) Defined contribution plans

Contributions to the defined contribution fund are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iii) Share-based payments

Share based compensation benefits are provided to employees via incentive plans described in the Remuneration Report.

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

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

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

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

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

(v) Long service leave

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

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

Note 1. Summary of significant accounting policies continued

(vi) Employee benefit on-costs

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

Financial instruments transaction costs

The transaction costs are reflected in the carrying value of the debt instrument and amortised over the term of the facilities.

Research and development expenditure

Research and development costs are charged to expense as incurred, unless development costs relate to a project whose success is probable considering its commercial and technical feasibility and where such costs can be measured reliably, in which case such costs are recognised as intangible assets.

Inventories

Inventories are valued at the lower of cost and net realisable value. Costs are determined on the first in, first out and weighted average cost methods. Costs included in inventories consist of materials, labour and manufacturing overheads which are related to the purchase and production of inventories.

Dividends

Provision is made for the amount of any dividend declared, determined or publicly recommended by the Directors on or before the end of the financial period but not distributed at balance date.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Sales revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer. Interest income is recognised using the effective interest rate method. Dividends are recognised as revenue when the right to receive payment is established.

Cash

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits at call and other short term, highly liquid investments with original maturities of less than three months which are readily convertible to cash and are subject to insignificant risk of changes in value, and bank overdrafts, which are included within borrowings in current liabilities in the Balance Sheet.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less allowance for impairment loss. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An impairment allowance for doubtful receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables and where suitable insurance arrangements or collateral do not cover any uncollected amounts. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate, and is recognised in the Income Statement.

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

Leased assets

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

Finance leases are capitalised. A lease asset and liability are established at the lower of the fair value of the leased property and the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs. The lease asset is amortised over the shorter of the term of the lease and the life of the asset. Lease assets held at reporting date are being amortised over periods ranging from three to five years.

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

Payables

These amounts represent goods and services provided to the Group prior to the end of the financial year that are unpaid. The amounts are unsecured.

Borrowings

Borrowings are initially recognised at their fair values which approximate the present value of future cash flows associated with servicing the debt, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the Balance Sheet date.

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued.

The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of subsidiaries or associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

Contributed equity

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

Earnings per share

(i) Basic earnings per share

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

(ii) Diluted earnings per share

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

Goods and services tax (GST)

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

Note 1. Summary of significant accounting policies continued

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Balance Sheet.

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

New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2009 reporting periods. The Group has not made an assessment of the impact of these new standards and interpretations as yet. The new accounting standards and interpretations are as follows:

(i) AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 (effective from 1 January 2009)

AASB 8 will result in a significant change in the approach to information being reported, which will be based on what the key decision makers use internally for evaluating segment performance and deciding how to allocate resources to operating segments. The Group will adopt AASB 8 from 1 July 2009. In addition, the segments will be reported in a manner that is more consistent with the internal reporting provided to the chief operating decision-maker. As goodwill is allocated by management to groups of cash-generating units on a segment level, the change in reportable segment may also require a reallocation of goodwill. However, this is not expected to result in any additional impairment of goodwill.

(ii) Revised AASB 123 Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 (effective from 1 January 2009)

The revised AASB 123 has removed the option to expense all borrowing costs and – when adopted – will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the Financial Report of the Group, as the Group already capitalises borrowing costs relating to qualifying assets.

(iii) Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 (effective from 1 January 2009)

The September 2007 revised AASB 101 requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If an entity has made a prior period adjustment or has reclassified items in the financial statements, it will need to disclose a third Balance Sheet (statement of financial position), this one being as at the beginning of the comparative period. The Group will apply the revised standard from 1 July 2009.

(iv) AASB 2008-1 Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations (effective from 1 January 2009)

AASB 2008-1 clarifies that vesting conditions are service conditions and performance conditions only and that other features of a share-based payment are not vesting conditions. It also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The Group will apply the revised standard from 1 July 2009, but it is not expected to affect the accounting for the Group's share-based payments.

(v) Revised AASB 3 Business Combinations, AASB 127 Consolidated and Separate Financial Statements and AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 (effective 1 July 2009)

The revised AASB 3 continues to apply the acquisition method to business combinations, but with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the Income Statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs must be expensed. This is different to the Group's current policy. The revised AASB 127 requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in profit or loss. This is consistent with the Group's current accounting policy if significant influence is not retained.

The Group will apply the revised standards prospectively to all business combinations and transactions with non-controlling interests from 1 July 2009.

(vi) AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (effective 1 July 2009)

The amendments to AASB 5 Discontinued Operations and AASB 1 First-Time Adoption of Australian equivalents to International Financial Reporting Standards are part of the IASB's annual improvements project published in May 2008. They clarify that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control. Relevant disclosures should be made for this subsidiary if the definition of a discontinued operation is met. The Group will apply the amendments prospectively to all partial disposals of subsidiaries from 1 July 2009.

(vii) AASB 2008-7 Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (effective 1 July 2009)

In July 2008, the AASB approved amendments to AASB 1 First-time Adoption of International Financial Reporting Standards and AABS 127 Consolidated and Separate Financial Statements. The Group will apply the revised rules prospectively from 1 July 2009. After that date, all dividends received from investments in subsidiaries, jointly controlled entities or associates will be recognised as revenue, even if they are paid out of pre-acquisition profits, but the investments may need to be tested for impairment as a result of the dividend payment. Under the entity's current policy, these dividends are deducted from the cost of the investment. Furthermore, when a new intermediate Parent Entity is created in internal reorganisations it will measure its investment in subsidiaries at the carrying amounts of the net assets of the subsidiary rather than the subsidiary's fair value.

(viii) AASB Interpretation 16 Hedges of a Net Investment in a Foreign Operation (effective 1 October 2008)

AASB-I 16 clarifies which foreign currency risks qualify as hedged risk in the hedge of a net investment in a foreign operation and that hedging instruments may be held by any entity or entities within the Group. It also provides guidance on how an entity should determine the amounts to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item. The Group will apply the interpretation prospectively from 1 July 2009. There will be no changes to the accounting for the existing hedge of the net investment in the Indonesian subsidiary.

(ix) AASB 2008-8 Amendment to IAS 39 Financial Instruments: Recognition and Measurement (effective 1 July 2009)

AASB 2008-8 amends AASB 139 Financial Instruments: Recognition and Measurement and must be applied retrospectively in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The amendment makes two significant changes. It prohibits designating inflation as a hedgeable component of a fixed rate debt. It also prohibits including time value in the one-sided hedged risk when designating options as hedges. The Group will apply the amended standard from 1 July 2009. It is not expected to have a material impact on the Group's financial statements.

(x) AASB Interpretation 17 Distribution of Non-cash Assets to Owners and AASB 2008-13 Amendments to Australian Accounting Standards arising from AASB Interpretation 17

AASB-I 17 applies to situations where an entity pays dividends by distributing non-cash assets to its shareholders. These distributions will need to be measured at fair value and the entity will need to recognise the difference between the fair value and the carrying amount of the distributed assets in the Income Statement on distribution. This is different to the Group's current policy, which is to measure distributions of non-cash assets at their carrying amounts. The interpretation further clarifies when a liability for the dividend must be recognised and that it is also measured at fair value. The Group will apply the interpretation prospectively from 1 July 2009.

Critical accounting estimates and judgements

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group, that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

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

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy for intangible assets. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). The recoverable amounts of cash generating units have been determined by value in use calculations.

Note 1. Summary of significant accounting policies continued

(ii) Defined benefit superannuation

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

(iii) Salt field valuations

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

Rounding of amounts

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 Financial Report. Amounts in the Financial Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

	Consolidated		Parent Entity	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Note 2. Revenue				
Revenue from continuing operations				
Sale of goods	**818,362**	837,608	**-**	-
Interest from controlled entities	**-**	-	**29,654**	28,072
Interest from external parties	**939**	507	**746**	75
Rent received	**136**	258	**-**	-
Dividends from controlled entities	**-**	-	**4,654**	15,945
Management fees from controlled entities	**-**	-	**6,277**	7,835
	819,437	838,373	**41,331**	51,927
Note 3. Other income				
Other Income from continuing operations				
Profit on sale of property, plant and equipment	**88**	162	**-**	9
Foreign exchange gains – net	**553**	127	**-**	-
Other	**738**	583	**-**	10
	1,379	872	**-**	19
Note 4. Expenses				
Profit from continuing operations before income tax is arrived at after charging the following items:				
Depreciation and amortisation				
Land and buildings	**1,052**	1,074	**5**	20
Plant and equipment	**9,671**	10,320	**38**	42
Software	**362**	446	**16**	15
	11,085	11,840	**59**	77
Finance costs				
Amortisation of borrowing costs	**330**	588	**330**	587
Interest expense	**13,037**	14,619	**12,905**	14,871
	13,367	15,207	**13,235**	15,458
Bad and doubtful debt expense – net	**1,559**	161	**-**	-
Employee benefits expense	**76,624**	74,368	**3,014**	7,197
Operating lease expense	**3,771**	6,808	**344**	361
Research and development	**1,866**	1,281	**-**	-
Loss on disposal of property, plant and equipment	**69**	85	**61**	16
Canadian law suits costs	**-**	438	**-**	438

	Consolidated		Parent Entity	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000

Note 5. Significant items

Continuing operations				
Impairment of assets and restructure (pre-tax)				
Corporate restructuring costs	**1,185**	2,470	**1,185**	2,470
Impairment of assets – supplements business	**7,789**	-	**-**	-
Impairment of assets and business restructuring costs	**-**	10,576	**-**	-
	8,974	13,046	**1,185**	2,470
Takeover defence costs (pre-tax)	**139**	1,749	**139**	1,749
Tax losses written off (included in tax expense)	**696**	-	**-**	-
Discontinued operations				
Canadian law suit settlement	**-**	6,753	**-**	-
Impairment of assets and restructuring costs	**-**	3,137	**-**	-
	-	9,890	**-**	-

Note 6. Discontinued operation

(a) Description

On 7 May 2008, Ridley announced its intention to sell its interest in its 69% owned Canadian subsidiary Ridley Inc and initiated an active program to identify a buyer. Ridley Inc was sold on 5 November 2008 and is reported in this Financial Report as a discontinued operation.

(b) Income Statement and cash flow for discontinued operation

The financial performance and cash flow information presented are for the period 1 July 2008 to 5 November 2008 (2009 column) and the year ended 30 June 2008.

	Consolidated		Parent Entity	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Results of discontinued operation				
Sales revenue	**267,740**	709,041	**-**	-
Cost of sales	**229,834**	604,413	**-**	-
Gross profit	**37,906**	104,628	**-**	-
Other revenues from discontinued operations	**282**	1,004	**-**	-
Other income	**170**	640	**-**	-
Expenses				
Selling and distribution	**(12,459)**	(38,648)	**-**	-
General and administrative	**(12,445)**	(35,238)	**-**	-
Finance costs	**(1,702)**	(2,816)	**-**	-
Canadian law suit settlement	**-**	(6,753)	**-**	-
Impairment of assets and restructure costs	**-**	(3,137)	**-**	-
Other	**(1,431)**	(3,680)	**-**	-
Profit from discontinued operation before income tax expense	**10,321**	16,000	**-**	-
Income tax expense	**3,987**	8,726	**-**	-
Profit from discontinued operation after income tax expense	**6,334**	7,274	**-**	-
Minority interest of discontinued operation	**(2,131)**	-	**-**	-
Loss on sale after income tax (refer (e))	**(66,047)**	-	**(130)**	-
Foreign currency translation reserve taken to Income Statement	**9,402**	-	**-**	-
Profit/(loss) from discontinued operation after tax	**(52,442)**	7,274	**(130)**	-

Note 6. Discontinued operation continued

(c) Cash flows from discontinued operation

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent Entity 2009 $'000	Parent Entity 2008 $'000
Net cash (outflow)/inflow from ordinary activities	**(33,698)**	17,349	**-**	-
Net cash inflow/(outflow) from investing activities*	**95,693**	(6,323)	**91,602**	-
Net cash inflow/(outflow) from financing activities	**26,866**	(9,373)	**-**	-
Net cash inflow	**88,861**	1,653	**91,602**	-

*Includes cash consideration received of $91,602,000.

(d) Effect of disposal on the financial position of the Group

The carrying amounts of assets and liabilities as at the date of sale on 5 November 2008 were:

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent Entity 2009 $'000	Parent Entity 2008 $'000
Assets				
Cash and cash equivalents	**-**	3,644	**-**	-
Receivables	**67,146**	41,352	**-**	-
Inventories	**102,160**	72,580	**-**	-
Property, plant and equipment	**158,960**	114,632	**-**	-
Investment	**-**	-	**83,808**	83,808
Intangible assets	**54,207**	40,979	**-**	-
Other assets	**479**	611	**-**	-
	382,952	273,798	**83,808**	83,808
Liabilities				
Payables	**58,495**	68,660	**-**	-
Derivative financial instruments	**179**	162	**-**	-
Borrowings	**63,077**	20,029	**-**	-
Provisions	**1,360**	1,125	**-**	-
Deferred tax liabilities	**28,407**	19,755	**-**	-
Retirement benefit obligations	**13,009**	8,999	**-**	-
	164,527	118,730	**-**	-
Net assets	**218,425**	155,068	**83,808**	83,808
Minority interest	**68,700**	48,925		
Carrying amount of net assets sold	**149,725**	106,143		
(e) Net cash consideration received	**91,602**	-	**91,602**	-
Carrying amount of net assets sold	**(149,725)**	-	**(83,808)**	-
(Loss)/profit on sale before income tax	**(58,123)**	-	**7,794**	-
Income tax expense	**(7,924)**	-	**(7,924)**	-
Loss on sale after income tax	**(66,047)**	-	**(130)**	-

	Consolidated		Parent Entity	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000

Note 7. Income tax

(a) Income tax expense

Current tax	**13,297**	10,597	**12,318**	2,984
Deferred tax	**1,493**	(2,796)	**84**	(434)
Under/(over) provided in prior years	**293**	(1,873)	**(37)**	(1,305)
Aggregate income tax expense	**15,083**	5,928	**12,365**	1,245
Income tax (benefit)/expense is attributable to:				
Profit/(loss) from continuing operations	**3,172**	(2,798)	**4,441**	1,245
Profit from discontinued operations	**11,911**	8,726	**7,924**	-
	15,083	5,928	**12,365**	1,245
Deferred income tax/(benefit) expense included in income tax expense comprises:				
Decrease/(increase) in deferred tax assets (Note 14)	**539**	32	**283**	(313)
(Decrease)/increase in deferred tax liabilities (Note 17)	**954**	(2,828)	**(199)**	(121)
	1,493	(2,796)	**84**	(434)

(b) Reconciliation of income tax expense to prima facie tax payable

Profit from continuing operations before income tax expense	**16,081**	2,703	**18,923**	22,849
Profit/(loss) from discontinuing operations before income tax expense	**(38,400)**	16,000	**7,795**	-
Profit/(loss) before income tax expense	**(22,319)**	18,703	**26,718**	22,849
Prima facie tax payable at 30%	**(6,696)**	5,611	**8,015**	6,855
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:				
Dividends	**-**	-	**(1,396)**	(4,495)
Share of net profit of associates	**(2,118)**	(2,057)	**-**	-
Share based payments	**125**	20	**125**	20
Non-deductible expenses	**79**	116	**24**	6
(Over)/under provision in prior year	**293**	(1,873)	**(37)**	(1,305)
Losses not tax effected	**-**	1,600	**-**	-
Tax losses written off	**735**	-	**-**	-
Disposal of subsidiary	**23,431**	-	**5,586**	-
Difference in overseas tax rates	**-**	2,516	**-**	-
Research and development allowance	**(300)**	-	**-**	-
Other	**(466)**	(5)	**48**	164
Income tax expense	**15,083**	5,928	**12,365**	1,245

(c) Amounts recognised directly in equity

Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss but directly debited or (credited) to equity	**(6,879)**	46	**673**	439

Ridley Corporation Limited and its wholly-owned Australian controlled entities implemented tax consolidation legislation as of 1 July 2003. The accounting policy in relation to this legislation is set out in Note 1.

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

Note 7. Income Tax continued

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

	Consolidated		Parent Entity	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Note 8. Dividends				
Dividends paid during the year				
Final dividend paid on 14 October 2008 (2008: 9 October 2007) unfranked – 3.5 cents (2008: 3.5 cents 50% franked) per share	**10,471**	10,218	**10,471**	10,218
Interim dividend paid on 31 March 2009 (2008: 31 March 2008) unfranked – 3.5 cents (2008: 3.5 cents 50% franked) per share	**10,604**	10,368	**10,604**	10,368
Total dividends	**21,075**	20,586	**21,075**	20,586
Paid in cash	**13,743**	12,542	**13,743**	12,542
Satisfied by issue of shares under the Dividend Reinvestment Plan	**7,173**	7,882	**7,173**	7,882
Non-cash dividends paid on employee in-substance options	**159**	162	**159**	162
	21,075	20,586	**21,075**	20,586
Dividends not recognised at year end				
In addition to the above dividends, since year end the Directors have approved payment of a final dividend of 3.5 cents, unfranked (2008: 3.5 cents unfranked) per fully paid share payable on 16 October 2009 (2008: 14 October 2008). The aggregate amount of the proposed dividend expected to be paid out of retained profits at 30 June 2009, but not recognised as a liability at year end:	**10,774**	10,471	**10,774**	10,471
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:	**Nil**	Nil	**Nil**	Nil
Note 9. Receivables				
Current				
Trade debtors	**89,486**	103,405	**-**	-
Less: Allowance for doubtful debts [(a)]	**(1,165)**	(1,160)	**-**	-
	88,321	102,245	**-**	-
Prepayments	**2,061**	1,452	**123**	539
Other debtors	**3,992**	11,501	**21**	2,991
	94,374	115,198	**144**	3,530
Non-Current				
Other debtors	**-**	5	**-**	-
Amounts owing by related entities	**-**	-	**315,327**	336,905
	-	5	**315,327**	336,905

	Consolidated		Parent Entity	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
(a) Movements in the allowance for doubtful debts are as follows:				
At 1 July 2008	**1,160**	2,333	**-**	-
Provision for impairment recognised during the year	**1,559**	1,697	**-**	-
Receivables written off during the year	**(1,554)**	(391)	**-**	-
Foreign currency exchange differences	**-**	(777)	**-**	-
Transfer to assets held for sale	**-**	(1,702)	**-**	-
At 30 June 2009	**1,165**	1,160	**-**	-

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

As at 30 June 2009, the nominal value of trade receivables impaired is $2,157,000 (2008: $4,000,000). There is adequate provision against these receivables to the extent they are not covered by collateral and/or credit insurance.

(b) As at 30 June 2009, trade receivables of $16,645,000 (2008: $43,853,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	Consolidated		Parent Entity	
	2009	2008*	**2009**	2008
	$'000	$'000	**$'000**	$'000
Past due by 0-30 days	**13,009**	26,530	**-**	-
Past due by 30-60 days	**2,172**	5,718	**-**	-
Past due by 60-90 days	**686**	4,365	**-**	-
Past due by 90 days +	**778**	7,240	**-**	-
	16,645	43,853	**-**	-

*Includes trade receivables classified as assets held for sale.

	Consolidated		Parent Entity	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000

Note 10. Inventories

Current				
Raw materials and stores				
- at cost	**42,517**	51,670	**-**	-
Work in progress				
- at cost	**11,575**	16,286	**-**	-
- at net realisable value	**3,860**	-	**-**	-
Finished goods				
- at cost	**21,256**	21,252	**-**	-
- at net realisable value	**10**	-	**-**	-
	79,218	89,208	**-**	-

Write-downs of inventories to net realisable value recognised as an expense during the year ended 30 June 2009 amounted to $341,000 (2008: nil). The expense has been included in 'cost of sales' in the Income Statement.

	Consolidated		Parent Entity	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000

Note 11. Other

Shares in controlled entities – at deemed cost	**-**	-	**24,645**	24,645

Note 12. Property, plant and equipment

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent Entity 2009 $'000	Parent Entity 2008 $'000
Non-current				
Land and buildings				
At fair value	**56,320**	67,145	**200**	270
Less: Accumulated depreciation	**(2,021)**	(3,862)	**(13)**	(67)
Total land and buildings	**54,299**	63,283	**187**	203
Salt fields				
At fair value	**98,765**	112,509	**-**	-
Total salt fields	**98,765**	112,509	**-**	-
Plant and equipment				
At cost	**155,602**	168,403	**189**	1,752
Less: Accumulated depreciation	**(98,240)**	(100,062)	**(150)**	(1,613)
Plant and equipment under construction	**14,366**	12,407	**-**	-
Under finance lease	**-**	185	**-**	-
Less: Accumulated amortisation	**-**	-	**-**	-
Total plant and equipment	**71,728**	80,933	**39**	139
Summary				
Property, plant and equipment:				
At cost	**155,602**	219,879	**189**	1,752
Under finance lease	**-**	185	**-**	-
At fair value	**155,085**	128,178	**200**	270
Under construction	**14,366**	12,407	**-**	-
Less: Accumulated depreciation	**(100,261)**	(103,924)	**(163)**	(1,680)
	224,792	256,725	**226**	342

Basis of valuation

The basis of valuation of land and buildings and salt fields is fair market value based on existing use. The valuations made by the Directors are based on the last independent valuation at 30 June 2009 carried out by qualified valuers in Australia. The cost value of land and buildings was $22.5 million and salt fields was $72.9 million, which are held at fair value.

Current year additions made to land and buildings and salt fields are at cost, which is deemed an appropriate measure of fair value.

Impairment loss

The impairment loss relates to the Ridley AgriProducts' Supplements business. Given the ongoing losses being made by the Ridley AgriProducts' Supplements business, the fixed assets were written down to the market value of the land and buildings. An impairment write down of $7.8 million before tax ($5.7 million net of tax) was recognised in the Income Statement, which includes a write down of goodwill of $0.9 million (refer Note 13) and $0.4 million was reversed against a previous revaluation in the asset revaluation reserve relating to the relevant assets. The market value of the assets was determined by an independent valuer as their fair values less cost to sell, based on an active market.

Reconciliations

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

	Consolidated				Parent Entity		
	Land and Buildings $'000	Plant and Equipment $'000	Salt Fields $'000	Total $'000	Land and Buildings $'000	Plant and Equipment $'000	Total $'000
Year ended 30 June 2008							
At 1 July 2007							
Cost or fair value	133,828	292,017	111,123	536,968	270	1,786	2,056
Accumulated depreciation	(3,538)	(148,187)	-	(151,725)	(47)	(1,619)	(1,666)
Carrying amount at 1 July 2007	130,290	143,830	111,123	385,243	223	167	390
Acquisitions	1,699	1,003	-	2,702	-	-	-
Additions	6,081	23,210	1,386	30,677	-	108	108
Disposals	(693)	(1,550)	-	(2,243)	-	(94)	(94)
Revaluation	(926)	-	-	(926)	-	-	-
Impairment loss*	(5,325)	(5,761)	-	(11,086)	-	-	-
Foreign currency exchange differences	(6,721)	(7,103)	-	(13,824)	-	-	-
Depreciation (Notes 4 and 6)	(3,068)	(16,118)	-	(19,186)	(20)	(42)	(62)
Tfr to assets held for sale	(58,054)	(56,578)	-	(114,632)	-	-	-
Carrying amount at 30 June 2008	63,283	80,933	112,509	256,725	203	139	342

* An impairment charge of $1,068,000 was charged directly to the revaluation reserve to reverse revaluations.

	Land and Buildings $'000	Plant and Equipment $'000	Salt Fields $'000	Total $'000	Land and Buildings $'000	Plant and Equipment $'000	Total $'000
At 30 June 2008							
Cost or fair value	67,145	180,995	112,509	360,649	270	1,752	2,022
Accumulated depreciation	(3,862)	(100,062)	-	(103,924)	(67)	(1,613)	(1,680)
Carrying amount	63,283	80,933	112,509	256,725	203	139	342
Year ended 30 June 2009							
At 1 July 2008							
Cost or fair value	67,145	180,995	112,509	360,649	270	1,752	2,022
Accumulated depreciation	(3,862)	(100,062)	-	(103,924)	(67)	(1,613)	(1,680)
Carrying amount at 1 July 2008	63,283	80,933	112,509	256,725	203	139	342
Acquisitions	-	-	-	-	-	-	-
Additions	3,416	8,775	2,027	14,218	-	-	-
Disposals	(1,171)	(2,337)	-	(3,508)	(11)	(62)	(73)
Revaluation	(1,959)	-	(22,766)	(24,725)	-	-	-
Impairment loss*	(1,428)	(5,856)	-	(7,284)	-	-	-
Foreign currency exchange differences	-	89	-	89	-	-	-
Transfers	(6,790)	(205)	6,995	-			
Depreciation (Note 4)	(1,052)	(9,671)	-	(10,723)	(5)	(38)	(43)
Carrying amount at 30 June 2009	**54,299**	**71,728**	**98,765**	**224,792**	**187**	**39**	**226**

* An impairment charge of $477,000 was charged directly to the revaluation reserve.

	Land and Buildings $'000	Plant and Equipment $'000	Salt Fields $'000	Total $'000	Land and Buildings $'000	Plant and Equipment $'000	Total $'000
At 30 June 2009							
Cost or fair value	56,320	169,968	98,765	325,053	200	189	389
Accumulated depreciation	(2,021)	(98,240)	-	(100,261)	(13)	(150)	(163)
Carrying amount at 30 June 2009	**54,299**	**71,728**	**98,765**	**224,792**	**187**	**39**	**226**

Note 13. Intangible assets

	Consolidated				Parent Entity
	Software $'000	Goodwill $'000	Patents, Trademarks and Other Rights $'000	Total $'000	Software $'000
Year ended 30 June 2008					
Cost	5,172	56,547	4,852	66,571	558
Accumulated amortisation	(4,112)	-	(431)	(4,543)	(395)
Carrying amount at 1 July 2007	1,060	56,547	4,421	62,028	163
Additions	3,915	-	-	3,915	2,002
Acquisitions	-	-	922	922	-
Amortisation charge	(605)	-	(96)	(701)	(16)
Transfer to assets held for sale	(323)	(36,010)	(4,646)	(40,979)	-
Foreign currency exchange differences	151	(4,622)	(599)	(5,070)	-
Closing balance at 30 June 2008	4,198	15,915	2	20,115	2,149
At 30 June 2008					
Cost	7,136	15,915	2	23,053	2,560
Accumulated amortisation	(2,938)	-	-	(2,938)	(411)
Carrying amount at 30 June 2008	4,198	15,915	2	20,115	2,149
Year ended 30 June 2009					
Carrying amount at 1 July 2008	**4,198**	**15,915**	**2**	**20,115**	**2,149**
Additions	**5,094**	**-**	**-**	**5,094**	**41**
Impairment loss	**-**	**(953)**	**-**	**(953)**	**-**
Amortisation charge	**(360)**	**-**	**(2)**	**(362)**	**(16)**
Transfers to related party	**-**	**-**	**-**	**-**	**(2,044)**
Closing balance at 30 June 2009	**8,932**	**14,962**	**-**	**23,894**	**130**
At 30 June 2009					
Cost	**12,230**	**15,915**	**-**	**28,145**	**413**
Accumulated amortisation	**(3,298)**	**(953)**	**-**	**(4,251)**	**(283)**
Carrying amount at 30 June 2009	**8,932**	**14,962**	**-**	**23,894**	**130**

The amortisation charge is included in general and administrative costs and the impairment loss is included in impairment and restructuring costs in the Income Statement.

Impairment testing for goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segment. A segment level summary is presented below:

	Salt $'000	AgriProducts $'000	Total $'000
2009	**5,017**	**9,945**	**14,962**
2008	5,017	10,898	15,915

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

(i) Cash flow forecasts are based on business plans presented to the Board.

(ii) Forecast growth rates are based on management's expectations of future performances. The growth rates applied to cash flows were 0% – 2% (2008: 0% – 3%). The growth rates of the CGU's are specific to each CGU.

(iii) Discount rates used are the weighted average cost of capital (pre-tax) for the Group, risk adjusted where applicable for each business segment and country. The pre-tax discount rates applied to cash flows were 14.5% – 16.7% (2008: 14.5% – 17.4%).

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

	Consolidated		Parent Entity	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Note 14. Tax assets				
Current				
Tax receivable	**1,830**	-	**1,830**	-
Non-current				
Deferred tax asset	**-**	438	**2,231**	764
The balance comprises temporary differences attributable to:				
Doubtful debts	**418**	345	**-**	-
Employee benefits	**4,515**	4,523	**593**	578
Retirement benefit obligations	**19**	-	**19**	-
Provisions	**580**	1,191	**453**	525
Other	**980**	420	**177**	203
Property, plant and equipment	**-**	-	**11**	96
Tax losses	**-**	438	**-**	-
	6,512	6,917	**1,253**	1,402
Amounts recognised directly in equity:				
Cash flow hedges	**978**	-	**978**	-
	7,490	6,917	**2,231**	1,402
Set-off of deferred tax liabilities pursuant to set-off provisions (Note 17)	**(7,490)**	(6,479)	**-**	(638)
Net deferred tax asset	**-**	438	**2,231**	764
Movements:				
Opening balance at 1 July 2008	**6,917**	16,111	**1,402**	1,089
Foreign currency exchange differences	**-**	(923)	**-**	-
Credited/(charged) to the Income Statement (Note 7)	**(539)**	(32)	**(283)**	313
Credited/(charged) to retained earnings	**1,112**	(42)	**1,112**	-
Disposals/transfers to assets held for sale	**-**	(8,197)	**-**	-
Closing balance at 30 June 2009	**7,490**	6,917	**2,231**	1,402

The gross value of deferred tax assets in respect to tax losses in controlled entities is $801,000 (2008: $5,337,000). These tax losses relate to the Group's Japanese operations. The deferred tax assets relating to tax losses brought to account is nil (2008: $3,868,000).

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		Parent Entity	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000

Note 15. Payables

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent Entity 2009 $'000	Parent Entity 2008 $'000
Current				
Trade creditors and accruals	**97,137**	104,517	**2,793**	4,450

Note 16. Borrowings

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent Entity 2009 $'000	Parent Entity 2008 $'000
Current				
Secured				
Bank overdraft and loans (a) (Note 34)	**1,462**	794	**-**	-
Lease liabilities	**-**	40	**-**	-
Unsecured				
Other loans	**507**	840	**-**	-
	1,969	1,674	**-**	-
Non-current				
Secured				
Bank loans (a)(b) (Note 34)	**67,445**	182,883	**67,445**	182,883
Lease liabilities	**-**	140	**-**	-
	67,445	183,023	**67,445**	182,883

(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) These loans are subject to bank covenants based on financial ratios of the Group. As at 30 June 2009, the Group was in compliance with these covenants.

	Consolidated		Parent Entity	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000

Note 17. Tax liabilities

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent Entity 2009 $'000	Parent Entity 2008 $'000
Current				
Income tax	**7,216**	-	**7,216**	-
Non-current				
Deferred income tax	**2,309**	10,357	**-**	-
The deferred income tax balance comprises temporary differences attributable to:				
Retirement benefit assets	**-**	125	**-**	62
Cash flow hedges	**-**	-	**-**	84
Other	**20**	59	**-**	53
Property, plant and equipment	**9,779**	14,323	**-**	-
	9,799	14,507	**-**	199
Amounts recognised directly in equity:				
Revaluation of property, plant and equipment	**-**	1,854	**-**	-
Cash flow hedges	**-**	328	**-**	229
Retirement benefit assets	**-**	147	**-**	210
	9,799	16,836	**-**	638
Set-off of deferred tax liabilities of the Parent Entity pursuant to set off provisions (Note 14)	**(7,490)**	(6,479)	**-**	(638)
Net deferred tax liabilities	**2,309**	10,357	**-**	-

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent Entity 2009 $'000	Parent Entity 2008 $'000
Opening balance at 1 July	**16,836**	50,267	**638**	320
Foreign currency exchange differences	**-**	(2,655)	**-**	-
Charged/(credited) to the Income Statement	**954**	(2,828)	**(199)**	(121)
Charged/(credited) to equity	**(7,991)**	4	**(439)**	439
Disposals/transfer to liabilities held for sale	**-**	(27,952)	**-**	-
Closing balance at 30 June	**9,799**	16,836	**-**	638

Note 18. Provisions

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent Entity 2009 $'000	Parent Entity 2008 $'000
Current				
Employee entitlements (Note 27)	**10,817**	11,862	**342**	398
Rationalisation	**706**	2,140	**544**	-
Remediation	**-**	20	**-**	-
	11,523	14,022	**886**	398
Non-current				
Employee entitlements (Note 27)	**1,487**	1,648	**375**	446
Remediation	**-**	87	**-**	87
	1,487	1,735	**375**	533

Movements in each class of provision, other than employee benefits, during the financial year are as follows:

Remediation

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent Entity 2009 $'000	Parent Entity 2008 $'000
Current				
Balance at 1 July	**20**	20	**-**	-
Release of provision	**(20)**	-	**-**	-
Balance at 30 June	**-**	20	**-**	-
Non-current				
Balance at 1 July	**87**	472	**87**	82
Release of provision	**(87)**	(390)	**(87)**	-
Additional provision recognised	**-**	5	**-**	5
Balance at 30 June	**-**	87	**-**	87

	Consolidated and Parent Entity	
	2009 $'000	2008 $'000
Note 19. Contributed equity		
Fully paid up capital: 307,817,071 ordinary shares with no par value (2008: 299,169,723)	**235,053**	228,566

(a) Movements in ordinary share capital:

Date	Details	Number of Shares	Issue Price $/Share	$'000
	Balance at 1 July 2008	291,932,266		221,236
Oct 2007	Dividend Reinvestment Plan	4,283,533	1.1156	4,776
Mar 2008	Dividend Reinvestment Plan	2,953,924	1.0506	3,101
Various	Shares purchased	(670,582)	1.1293*	(757)
April 2008	Employee Share Scheme**	670,582	-	210
	Balance at 30 June 2008	**299,169,723**		**228,566**
Oct 2008	Dividend Reinvestment Plan	3,810,729	1.0103	3,850
Mar 2009	Dividend Reinvestment Plan	4,836,619	0.6871	3,323
Various	Shares purchased	(1,360,436)	0.6984	(950)
Various	Performance Rights	382,000	-	-
April 2009	Employee Share Scheme**	978,436	-	264
	Balance at 30 June 2009	**307,817,071**		**235,053**

* Weighted average price.

** The Group's accounting policy is to treat these shares as 'in-substance options'. Accordingly the Group recognises an increase in contributed equity only when it receives cash consideration from an employee.

At 30 June 2009, 2,943,827 (2008: 2,675,049) shares issued under the Ridley Employee Share Scheme have been accounted for as in-substance options.

(b) Ordinary shares

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

(c) Dividend reinvestment plan

The Company has established a Dividend Reinvestment Plan under which holders of ordinary shares may elect to have all or part of their dividend entitlements satisfied by the issue of ordinary shares. Details of the Company's Performance rights plan and share scheme are disclosed in Note 27.

(d) Capital risk management

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

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

	Consolidated		Parent Entity	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Gross debt	**69,414**	204,726	**67,445**	182,883
Less: cash	**(280)**	(5,480)	**(5,042)**	(4,891)
Net debt	**69,134**	199,246	**62,403**	177,992
Total equity	**276,211**	369,444	**267,536**	270,716
Gearing ratio	**25.0%**	53.9%	**23.3%**	65.7%

Note 20. Reserves and retained profits

(a) Reserves

Revaluation reserve	**35,983**	54,405	**-**	13,283
Share-based payments reserve	**3,901**	3,153	**3,901**	3,153
Capital reserve	**-**	28,487	**-**	-
Cash flow hedge reserve	**(2,283)**	765	**(2,283)**	765
Foreign currency translation reserve	**(154)**	(30,531)	**-**	-
	37,447	56,279	**1,618**	17,201

Movements:				
Revaluation reserve				
Balance at 1 July	**54,405**	55,785	**13,283**	13,283
Impairment	**(447)**	(1,068)	**-**	-
Deferred tax on impairment	**134**	-	**-**	-
Revaluation	**(24,725)**	-	**-**	-
Deferred tax on revaluation	**7,418**	343	**-**	-
Disposal of subsidiary, transfer to retained earnings	**(802)**	(655)	**(13,283)**	-
Balance at 30 June	**35,983**	54,405	**-**	13,283
Share-based payments reserve				
Balance at 1 July	**3,153**	2,712	**3,153**	2,712
Options and performance rights expense	**748**	441	**748**	441
Balance at 30 June	**3,901**	3,153	**3,901**	3,153
Capital reserve				
Balance at 1 July	**28,487**	28,487	**-**	-
Disposal of subsidiary, transfer to retained earnings	**(28,487)**	-	**-**	-
Balance at 30 June	**-**	28,487	**-**	-
Cash flow hedge reserve				
Balance at 1 July	**765**	231	**765**	231
Revaluations	**(4,302)**	762	**(4,302)**	762
Transfer to net profit	**(37)**	-	**(37)**	-
Deferred tax	**1,291**	(228)	**1,291**	(228)
Balance at 30 June	**(2,283)**	765	**(2,283)**	765
Foreign currency translation reserve				
Balance at 1 July	**(30,531)**	(17,261)	**-**	-
Currency translation differences arising during the year	**39,779**	(13,270)	**-**	-
Transfer to Income Statement due to disposal of subsidiary	**(9,402)**	-	**-**	-
Balance at 30 June	**(154)**	(30,531)	**-**	-

	Consolidated		Parent Entity	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000

Note 20. Reserves and retained profits continued

(b) Retained profits

Balance at 1 July	**35,674**	44,607	**24,949**	23,280
Actuarial gains/(losses) on defined benefit superannuation and pension plans – net of tax	**(803)**	533	**(803)**	489
Net (loss)/profit for the year	**(39,533)**	10,505	**14,352**	21,604
Dividends paid	**(21,075)**	(20,586)	**(21,075)**	(20,586)
Non cash dividends paid on employee in-substance options	**159**	162	**159**	162
Transfer on disposal of asset – net of tax	**-**	453	**13,283**	-
Transfer on disposal of subsidiary	**29,289**	-	**-**	-
Balance at 30 June	**3,711**	35,674	**30,865**	24,949

(c) Nature and purpose of reserves

(i) Revaluation reserve

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

(ii) Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of options and performance rights issued but not exercised.

(iii) Cash flow hedge reserve

The cash flow hedge reserve is used to record gains and losses on hedging instruments that are recognised directly in equity. Amounts are recognised in the Income Statement when the associated hedge transaction affects the Income Statement.

(iv) Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are taken to the foreign currency translation reserve. The reserve is recognised in the Income Statement when the net investment is disposed of.

(v) Capital reserve

The reserve represented the excess over book value of the Parent Entity's interest in the net assets of Ridley Inc after it was floated on the Toronto Stock Exchange in 1997. This balance was disposed of as part of the sale of Ridley Inc.

	Consolidated		Parent Entity	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000

Note 21. Minority interest of discontinued operations

Interest in:				
Share capital	**-**	26,410	**-**	-
Reserves	**-**	(13,068)	**-**	-
Retained profits	**-**	35,583	**-**	-
	-	48,925	**-**	-

	Consolidated		Parent Entity	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000

Note 22. Equity

Total equity at the beginning of the financial year	**369,444**	388,230	**270,716**	260,742
Total changes in equity recognised in the Income Statement	**(39,533)**	12,775	**14,352**	21,604
Total changes recognised directly in equity	**35,873**	(18,909)	**(3,851)**	1,023
Transactions with owners as owners:				
Contributions of equity	**6,487**	7,331	**6,487**	7,331
Dividends paid	**(20,916)**	(20,424)	**(20,916)**	(20,425)
Total changes in minority interest	**(66,490)**	-	**-**	-
Transfer of foreign currency translation reserve	**(9,402)**	-	**-**	-
Employee share options	**748**	441	**748**	441
Total equity at the end of the financial year	**276,211**	369,444	**267,536**	270,716

Note 23. Financial risk management

Derivative financial instruments

Interest rate swaps – cash flow hedges	**(3,262)**	1,041	**(3,262)**	1,041
(Liability)/asset	**(3,262)**	1,041	**(3,262)**	1,041

Financial risk management

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

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

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the relevant entity's functional currency. The Group is exposed to foreign exchange risk through its operations in Indonesia and Japan.

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

The Group predominantly does not qualify for hedge accounting on the forward foreign currency contracts. The Parent Entity qualified for hedge accounting on the Canadian tax liability related to the sale of Ridley Inc.

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity. When the cash flows occur, the Group adjusts the initial measurement of the component recognised in the Balance Sheet by the related amount deferred in equity.

Note 23. Financial risk management continued

Forward exchange contracts

Forward foreign exchange contracts have been entered into in order to fix the cost of purchases and sales denominated in foreign currencies. The Group classifies forward foreign exchange contracts as fair value hedges held for trading and measures them at fair value.

At 30 June 2009 the Group has contracted to sell JPY4,469,825 for A$58,003, sell US$1,219,244 for A$1,537,896 and buy US$327,690 for $457,904 (2008: sell JPY34,860,000 for A$401,000). The Parent Entity and the Group has a foreign exchange contract to buy CA$6,736,000 for a $7,216,000 to cover a tax payment related to the sale of Ridley Inc.

At 30 June 2009, a liability of $718,500 (2008: Asset $58,000) has been recognised by the Group (2009: Liability $708,000 and 2008 nil for the Parent Entity) for the fair value of forward foreign exchange contracts. The terms of the contracts are for less than one year.

Foreign currency sensitivity

The sensitivity of the Group's financial assets and financial liabilities to foreign currency risk exposures in existence at the Balance Sheet date is insignificant.

(ii) Cash flow and fair value interest rate risk

As the Group has no significant interest bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Parent Entity has interest bearing assets which are amounts owing from subsidiaries as shown in Note 29. These are subject to fluctuations in market interest rates.

The Group's and Parent Entity's main interest rate risk arises from long term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group and Parent Entity policy is to maintain approximately 50-85% of its borrowings in fixed rate instruments.

The Group and Parent Entity manages its cash flow interest rate risk by using floating to fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Generally, the Group and Parent Entity raises long term borrowings at floating rates and swaps them into fixed rates. Under the interest rate swaps, the Group and Parent Entity agree with other parties to exchange, at specified intervals (mainly quarterly), the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. The settlement dates coincide with the date on which interest is payable on the underlying debt. The contracts are settled on a net basis.

At balance date, bank borrowings of the Group incur an average variable interest rate of 5.11% (2008: 8.06%).

Swaps currently in place cover approximately 88% (2008: 57%) of the loan principal outstanding and are timed to expire when the interest is payable on the outstanding debt. The average fixed interest rate on the swaps, including margins, is 8.94% (2008: 7.63%). The fair value of interest rate swaps stated as a net liability at 30 June 2009 for the Group and Parent Entity was $3,262,000 (2008: Asset $1,041,000 for the Group and the Parent Entity).

Interest rate risk exposures

The Group's and Parent 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.

	Consolidated			
	2009		2008	
	Interest Rate	Balance in $'000	Interest Rate	Balance in $'000
Assets				
Cash	**4.80%**	**280**	7.20%	1,836
Liabilities				
Bank loans	**5.11%**	**68,000**	8.06%	201,885
Interest rate swaps (principal notional amounts)	**8.94%**	**(60,000)**	7.63%	(115,227)
Net exposure to variable rates		**8,000**		86,658
Overdraft and other loans	**8.84%**	**1,414**	6.20%	2,620
Finance leases	-	-	7.00%	221

	Parent Entity			
	2009		2008	
	Interest Rate	Balance in $'000	Interest Rate	Balance in $'000
Assets				
Cash	**4.80%**	**5,042**	7.20%	4,891
Liabilities				
Bank loans	**5.11%**	**68,000**	8.50%	182,883
Interest rate swaps (principal notional amounts)	**8.94%**	**(60,000)**	7.86%	(105,000)
Net exposure to variable rates		**8,000**		77,883

Interest rate sensitivity

The following sensitivity analysis of the Group's and Parent Entity's financial assets and liabilities to interest rate risk exposures in existence at balance date is:

	Consolidated				Parent Entity			
	2009 Net Profit $'000	2009 Equity $'000	2008 Net Profit $'000	2008 Equity $'000	2009 Net Profit $'000	2009 Equity $'000	2008 Net Profit $'000	2008 Equity $'000
If interest rates were 1% higher	**(126)**	**582**	(631)	(631)	**(126)**	**582**	(688)	(688)
If interest rates were 1% lower	**126**	**(582)**	493	493	**126**	**(582)**	550	550

(b) Credit risk

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

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

Credit risk exposures

Credit risk arises from the potential failure of counterparties to meet their obligations under the respective terms. The principal risk relates to trade and other receivables (refer Note 9).

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, management aims at maintaining flexibility in funding by keeping committed credit lines available. Details of the finance facilities and maturities of financial liabilities are set out in this Note.

Note 23. Financial risk management continued

	Less Than One Year $'000	One to Two Years $'000	Two to Three Years $'000	Total Contractual Cash Flows $'000
Consolidated 2009				
Non interest bearing				
Trade and other payables	**97,137**	**-**	**-**	**97,137**
Variable rate				
Loan and overdrafts – principal	**1,969**	**-**	**68,000**	**69,969**
Loan and overdrafts – interest	**5,553**	**5,396**	**2,698**	**13,647**
Consolidated 2008				
Non interest bearing				
Trade and other payables	173,177	-	-	173,177
Variable rate				
Loan and overdrafts – principal	2,620	201,885	-	204,505
Loan and overdrafts – interest	16,444	1,353	-	17,797
Fixed rate				
Lease liabilities – principal	81	65	74	220
Lease liabilities – interest	7	6	7	20
Parent Entity 2009				
Financial assets				
Non interest bearing				
Cash	**5,042**	**-**	**-**	**5,042**
Financial liabilities				
Non interest bearing				
Trade and other payables	**2,793**	**-**	**-**	**2,793**
Variable rate				
Loan and overdrafts – principal	**-**	**-**	**68,000**	**68,000**
Loan and overdrafts – interest	**5,396**	**5,396**	**2,698**	**13,490**
Parent Entity 2008				
Non interest bearing				
Trade and other payables	4,450	-	-	4,450
Variable rate				
Loan and overdrafts – principal	-	182,883	-	182,883
Loan and overdrafts – interest	15,543	1,295	-	16,838

(d) Fair value estimation

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

The fair value of forward exchange contracts are estimated using listed market prices or by discounting the contractual cash flows at their forward price and deducting the current spot rate. For interest rate swaps, discounted cash flow techniques are used.

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.

The fair value of financial instruments is equal to their carrying amount for both the Group and the Parent Entity.

	Consolidated		Parent Entity	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000

Note 24. Commitments for expenditure

Capital expenditure contracted for plant and equipment not later than one year	**2,596**	5,433	**-**	-
Commitments for non-cancellable operating leases:				
Due within one year	**4,244**	6,050	**757**	326
Due within one to two years	**3,228**	4,034	**746**	49
Due within two to five years	**4,134**	3,754	**1,454**	60
Due after five years	**3,858**	3,863	**-**	-
	15,464	17,701	**2,957**	435
Finance leases contracted for as follows:				
Due within one year	**-**	57	**-**	-
Due within one to two years	**-**	73	**-**	-
Due within two to five years	**-**	74	**-**	-
Minimum lease payments	**-**	204	**-**	-
Deduct: Future finance charges	**-**	24	**-**	-
Lease liabilities	**-**	180	**-**	-

Note 25. Contingent liabilities

Guarantees

Secured guarantees by the Parent Entity in respect of bank borrowings and other related obligations of controlled entities were $12,054,614 (2008: $30,392,000). The guarantees are secured by a fixed and floating charge over certain assets of the consolidated entity.

A controlled entity guarantees 50% of an associate's bank debt to a maximum of $310,000 (2008: $310,000).

Litigation

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

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

	Consolidated		Parent Entity	
	2009 $	2008 $	**2009 $**	2008 $
Note 26. Remuneration of auditors				
During the year the following fees were paid or payable for services provided by the auditor of the Parent Entity, its related practices and non-related audit firms:				
(a) PricewaterhouseCoopers – Australia				
Audit and other assurance services				
Audit and review of Financial Reports	**645,000**	678,000	**234,000**	300,000
Other assurance services	**143,000**	-	**-**	-
Taxation services				
Taxation compliance	**52,028**	80,590	**52,028**	80,590
Other advice	**3,000**	49,436	**-**	49,436
Total remuneration for taxation services	**55,028**	130,026	**52,028**	130,026
Total remuneration for PricewaterhouseCoopers – Australia	**843,028**	808,026	**286,028**	430,026
(b) Related practices of PricewaterhouseCoopers – Australia				
Audit and other assurance services				
Audit and review of Financial Reports	**118,572**	468,668	**-**	-
Taxation services				
Taxation compliance	**6,241**	203,492	**-**	-
Other advice	**-**	72,301	**-**	-
Total remuneration for related practices of PricewaterhouseCoopers – Australia	**124,813**	744,461	**-**	-
(c) Non PricewaterhouseCoopers – Australia audit firms				
Audit and review of Financial Reports	**8,486**	6,156	**-**	-
Total remuneration of auditors	**976,327**	1,558,643	**286,028**	430,026

	Consolidated		Parent Entity	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Note 27. Employee Entitlements				
Aggregate employee entitlements including on-costs				
Current (Note 18)	**10,817**	11,862	**342**	398
Non-current (Note 18)	**1,487**	1,648	**375**	446
	12,304	13,510	**717**	844

Equity Plans

(i) Ridley Corporation Long Term Incentive Plan

Refer to the Remuneration Report for details.

The 2009 performance rights model inputs included:

Grant date	5 Dec 2008	14 April 2009
Expiry date	5 Dec 2011	14 April 2012
Share price at grant date	$0.82	$0.81
Expected price volatility of the Company's shares	28%	27%
Expected dividend yield	8.59%	8.64%
Risk free interest rate	3.42%	3.65%

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

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

Grant Date	Expiry Date	Balance at Start of the Year	Granted During the Year	Cancelled During the Year	Exercised During the Year	Balance at End of the Year
31-Oct-07	31-Oct-10	1,319,000	-	(150,000)	(382,000)	787,000
07-Apr-08	07-Apr-11	45,000	-	-	-	45,000
05-May-08	05-May-11	268,000	-	(100,000)	-	168,000
05-Dec-08	05-Dec-11	-	525,000	(75,000)	-	450,000
14-Apr-09	14-Apr-12	-	225,000	-	-	225,000
		1,632,000	**750,000**	**(325,000)**	**(382,000)**	**1,675,000**

(ii) Ridley Corporation Incentive Option Plan

Refer to the Remuneration Report for details. Details of options outstanding under the plan at balance date are as follows:

Grant Date	Expiry Date	Exercise Price	Balance at Start of the Year	Granted During the Year	Exercised During the Year	Cancelled During the Year	Balance at End of the Year	Exercisable at End of the Year
Consolidated and Parent Entity 30 June 2009								
12 Jan 2004	12 Jan 2009	$1.36	533,331	-	-	533,331	-	-
12 Jan 2004	12 Jan 2009	$1.42	533,333	-	-	533,333	-	-
12 Jan 2004	12 Jan 2009	$1.50	533,336	-	-	533,336	-	-
			1,600,000	**-**	**-**	**1,600,000**	**-**	**-**
Weighted average exercise price			$1.43	-	-	$1.43	-	-
Consolidated and Parent Entity 30 June 2008								
28 Nov 2002	28 Nov 2007	$1.50	166,667	-	-	166,667	-	-
28 Nov 2002	28 Nov 2007	$1.57	166,667	-	-	166,667	-	-
28 Nov 2002	28 Nov 2007	$1.65	166,666	-	-	166,666	-	-
6 Jan 2003	6 Jan 2008	$1.70	83,333	-	-	83,333	-	-
6 Jan 2003	6 Jan 2008	$1.79	83,333	-	-	83,333	-	-
6 Jan 2003	6 Jan 2008	$1.87	83,334	-	-	83,334	-	-
31 Jan 2003	31 Jan 2008	$1.63	516,670	-	-	516,670	-	-
31 Jan 2003	31 Jan 2008	$1.71	516,665	-	-	516,665	-	-
31 Jan 2003	31 Jan 2008	$1.80	516,665	-	-	516,665	-	-
27 Oct 2003	27 Oct 2008	$1.54	166,667	-	-	166,667	-	-
27 Oct 2003	27 Oct 2008	$1.61	166,667	-	-	166,667	-	-
27 Oct 2003	27 Oct 2008	$1.69	166,666	-	-	166,666	-	-
12 Jan 2004	12 Jan 2009	$1.36	699,997	-	-	166,666	533,331	533,331
12 Jan 2004	12 Jan 2009	$1.42	700,000	-	-	166,667	533,333	533,333
12 Jan 2004	12 Jan 2009	$1.50	700,003	-	-	166,667	533,336	533,336
25 Oct 2004	25 Oct 2009	$1.48	166,667	-	-	166,667	-	-
25 Oct 2004	25 Oct 2009	$1.56	166,667	-	-	166,667	-	-
25 Oct 2004	25 Oct 2009	$1.64	166,666	-	-	166,666	-	-
31 Oct 2005	31 Oct 2010	$1.51	166,667	-	-	166,667	-	-
31 Oct 2005	31 Oct 2010	$1.58	166,667	-	-	166,667	-	-
31 Oct 2005	31 Oct 2010	$1.66	166,666	-	-	166,666	-	-
			5,900,000	**-**	**-**	**4,300,000**	**1,600,000**	**1,600,000**
Weighted average exercise price			$1.57	-	-	$1.62	$1.43	$1.43

No options were exercised during the year ended 30 June 2009.

Note 27. Employee Entitlements continued

(iii) Ridley Employee Share Scheme

Refer to the Remuneration Report for details.

Total expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	Consolidated		Parent Entity	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Options issued and cancelled under employee option plan	**-**	(85)	**-**	(85)
Shares issued under employee share scheme	**386**	362	**386**	362
Performance rights issued and cancelled under incentive plan	**362**	164	**362**	164
	748	441	**748**	441

Note 28. Retirement benefit obligations

(a) Superannuation Funds

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

The members and the Group make contributions as specified in the rules of the respective plans.

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

Defined Contribution Plans

Benefits are based on an accumulation of defined contributions. The Group sponsors the Ridley Superannuation Plan – Australia.

The amount of contribution expense recognised in the Income Statement is $6,039,000 (2008: $6,800,000).

Defined Benefit Plans

The level of contributions to the defined benefit plans in the future will continue to 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 following sets out details in respect of the defined benefit section only.

(b) Balance Sheet amounts

The amounts recognised in the Balance Sheet are determined as follows:

	Consolidated and Parent Entity	
	2009 $'000	2008 $'000
Present value of benefit obligation	**3,865**	4,158
Fair value of the benefit plan assets	**(3,803)**	(5,063)
Net liability/(asset) in the Balance Sheet	**62**	(905)

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

(c) Categories of plan assets

The major categories of plan assets are as follows:

	Consolidated	
	2009	2008
Cash	**11%**	8%
Equity instruments	**59%**	60%
Debt instruments	**10%**	10%
Property	**12%**	12%
Other	**8%**	10%

(d) Reconciliations

	2009 $'000	2008 $'000
Reconciliation of the present value of the defined benefit obligations:		
Balance at the beginning of the year	**4,158**	5,591
Current service cost	**80**	115
Interest cost	**239**	265
Actuarial (gains)/losses	**(279)**	(1,115)
Benefits, expenses and insurance premiums paid	**(417)**	(783)
Contributions by plan participants	**84**	85
Balance at the end of the year	**3,865**	4,158
Reconciliation of the fair value of plan assets:		
Balance at the beginning of the year	**5,063**	5,663
Expected return on plan assets	**326**	363
Actuarial gains/(losses)	**(1,426)**	(416)
Employer contributions	**173**	151
Contributions by plan participants	**84**	85
Benefits, expenses and insurance premiums paid	**(417)**	(783)
Balance at the end of the year	**3,803**	5,063

The amounts recognised in the Income Statement are as follows:

Current service cost	**80**	115
Interest cost	**239**	265
Expected return on plan assets	**(326)**	(363)
Total included in employee benefits expense/(benefit)	**(7)**	17
Actual return on plan assets	**(1,100)**	(53)

(e) Principal actuarial assumptions

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

Discount rate	**5.20%**	6.00%
Future salary increases	**4.00%**	4.00%
Expected return on plan assets	**6.75%**	6.75%

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

Note 28. Retirement benefit obligations continued

(f) Employer contributions

Employer contributions to the plan are based on recommendations by the plan's actuaries. Full actuarial assessments are made at no more than three yearly intervals, and the last full assessment was made as at 1 July 2008, with an updated valuation at 30 June 2009.

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

Using the funding method described above and particular actuarial assumptions as to the plan's future experience, the actuaries recommended in the actuarial review as at 1 July 2008, the payment of employer contributions to the fund of 7.6% of salaries for employees who are members of the defined benefit section. These contribution rates have been adopted by the Group from 30 June 2009 and represent a decrease of 2.4% of salaries in the Group's contributions from that previously used. Total employer contributions expected to be paid by Group companies for the year ending 30 June 2010 are $171,000. Economic assumptions used by the actuary to make the funding recommendations were a long term investment earning rate, salary increases together with an age related promotional scale and an inflation rate.

(g) Historic summary

	2009 $'000	2008 $'000	2007 $'000	2006 $'000	2005 $'000
Present value of defined benefit obligation	**3,865**	4,158	5,591	5,021	6,227
Fair value of plan assets	**(3,803)**	(5,063)	(5,663)	(5,156)	(6,140)
(Surplus)/deficit	**62**	(905)	(72)	(135)	87
Experience adjustments (gain)/loss plan liabilities	**(285)**	(1,115)	1,050	369	825
Experience adjustments (gain)/loss plan assets	**1,426**	416	(815)	(384)	(198)

Note 29. Related party disclosures

The ultimate Parent Entity within the Group is Ridley Corporation Limited.

Directors

Information on Directors is disclosed in Note 30.

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 or its subsidiaries on the Board of Directors. Information relating to material interests in associated entities is set out in Note 38.

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

Transactions with related parties

Transactions with related parties were as follows:

	Consolidated		Parent Entity	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Interest revenue – subsidiaries	**-**	-	**29,654**	28,072
Dividend revenue – subsidiaries	**-**	-	**4,654**	15,945
– associates	**7,061**	6,890	**-**	-
Management and Directors' fees:				
Management charges	**-**	-	**6,277**	7,835
Associated entities	**106**	118	**-**	-
Sales of products to associated entities	**11,416**	9,071	**-**	-
Purchases of products from associated entities	**880**	2,921	**-**	-
Current tax payable assumed from wholly-owned tax consolidated entities	**-**	-	**3,835**	2,072

Outstanding balances

Outstanding balances with related parties were as follows:

Current payables (tax funding agreement)				
Wholly-owned tax consolidated entities	**-**	-	**3,835**	2,072
Current receivables – associated entities	**2,101**	710	**-**	-
Non-current receivable – subsidiaries	**-**	-	**315,328**	336,905

Outstanding balances are unsecured and repayable in cash.

Note 30. Key management personnel disclosures

Detailed remuneration disclosures are provided in the Remuneration Report on pages 39 to 40.

Key management personnel compensation

	Consolidated		Parent Entity	
	2009 $	2008 $	**2009 $**	2008 $
Short term employee benefits	**3,588,856**	5,342,374	**2,016,963**	3,321,243
Post-employment benefits	**510,560**	418,144	**357,014**	331,159
Termination benefits	**558,255**	1,840,450	**558,255**	1,840,450
Share-based payments	**344,786**	17,488	**308,078**	8,655
Other	**45,618**	92,012	**2,997**	3,996
	5,048,075	7,710,468	**3,243,307**	5,505,503

Share holdings

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

Note 30. Key management personnel disclosures continued

Number of shares held in Ridley Corporation Limited at 30 June 2009

	Balance at the Start of the Year[1]	Received During the Year on the Exercise of Options	Other Changes During the Year	Balance at the End of the Year
Directors of Ridley Corporation Limited				
JS Keniry	633,187	-	130,572	763,759
RJ Lee	69,366	-	100,000	169,366
PM Mann	20,000	-	22,825	42,825
J Murray	37,252	-	76,000	113,252
JM Spark	82,000	-	50,000	132,000
AL Vizard	28,158	-	10,500	38,658
I Wilton [2]	230,403	-	-	230,403
Total Directors	**1,100,366**	**-**	**389,897**	**1,490,263**
Other key management personnel				
AM Boyd	20,000	-	-	20,000
WH Fell	-	-	-	-
CW Klem	41,486	-	4,752	46,238
RN Lyons	15,308	-	2,956	18,264
AM Mooney	1,793	-	2,956	4,749
AL Speed	-	-	-	-
GP Watts	83,780	-	9,005	92,785
PJ Weaver	1,793	-	2,956	4,749
Total executives	**164,160**	**-**	**22,625**	**186,785**
Total	**1,264,526**	**-**	**412,522**	**1,677,048**

1. Or commencement of employment if not employed throughout the financial year.
2. Ceased to be a Director on 3 November 2008 and to be key management personnel on 31 March 2009.

Note: There were no sales of Ridley securities by key management personnel during the financial year.

Number of shares held in Ridley Corporation Limited at 30 June 2008

	Balance at the Start of the Year[1]	Received During the Year on the Exercise of Options	Other Changes During the Year	Balance at the End of the Year
Directors of Ridley Corporation Limited				
JS Keniry	589,987	-	43,200	633,187
RJ Lee	69,366	-	-	69,366
MP Bickford-Smith [2]	488,316	-	(488,316)	-
EB Bryan [3]	32,073	-	(32,073)	-
RJ Lotze [4]	110,365	-	(110,365)	-
PM Mann	-	-	20,000	20,000
J Murray	1,759	-	35,493	37,252
JM Spark	-	-	82,000	82,000
AL Vizard	19,158	-	9,000	28,158
I Wilton	128,854	-	101,549	230,403
Total Directors	**1,439,878**	**-**	**(339,512)**	**1,100,366**
Other key management personnel				
AD Murdoch [5]	8,744	-	(8,744)	-
Total executives	**8,744**	**-**	**(8,744)**	**-**
Total	**1,448,622**	**-**	**(348,256)**	**1,100,366**

1. Or commencement of employment if not employed throughout the financial year.
2. Ceased employment 20 December 2007.
3. Resigned 31 October 2007.
4. Resigned 10 June 2008.
5. Ceased employment 7 April 2008.

Performance rights granted and vested during the financial year ended 30 June 2009

	Number of Performance Rights Granted During the Year	Number of Performance Rights Vested During the Year
Other key management personnel of the consolidated entity		
AM Boyd	225,000	-
RN Lyons	75,000	-
AM Mooney	75,000	-
AL Speed	75,000	-
GP Watts	75,000	-
PJ Weaver	75,000	-
Total	**600,000**	**-**

Loans to Directors and executives

Aggregate of loans made to Directors of Ridley Corporation Limited and the key management personnel of the consolidated entity including their personally-related entities, are set below:

2009	Balance at the Start of the Year[1] $	Balance at the End of the Year $	Number in Group at End of the Year
Directors of Ridley Corporation Limited [2]	**6,316**	**1,628**	**1**
Other key management personnel of the consolidated entity	**13,704**	**16,660**	**5**
2008			
Directors of Ridley Corporation Limited	Nil	6,316	2
Other key management personnel of the consolidated entity	6,678	-	-

1. Or commencement as key management personnel.
2. Ridley dividends from shares acquired under the Ridley Employee Share Scheme are applied against outstanding loan balances until the loans have been repaid in full. The loans as disclosed were acquired by key management personnel prior to their appointment as Directors.

The loans are interest-free and secured against shares issued under the Ridley Employee Share Scheme.

Note 31. Segment information

2009

Business Segments	Salt $'000	AgriProducts $'000	Unallocated $'000	Eliminations $'000	Continuing Operations $'000	Discontinued Operations $'000	Total $'000
Sales – external	101,473	716,889	-	-	818,362	267,740	1,086,102
Sales – internal	2,896	-	-	(2,896)	-	-	-
Total sales revenue	**104,369**	**716,889**	**-**	**(2,896)**	**818,362**	**267,740**	**1,086,102**
Other revenue	368	1,147	-	-	1,515	249	1,764
Total revenue	**104,737**	**718,036**	**-**	**(2,896)**	**819,877**	**267,989**	**1,087,866**
Share of profit of associates	7,061	-	-	-	7,061	-	7,061
Result from operations before significant items	19,988	24,412	(6,778)	-	37,622	11,820	49,442
Significant items	-	(7,789)	(1,324)	-	(9,113)	-	(9,113)
Result from operations	19,988	16,623	(8,102)	-	28,509	11,820	40,329
Net finance costs	-	-	(12,428)	-	(12,428)	(1,499)	(13,927)
Profit/(loss) before income tax	**-**	**-**	**-**	**-**	**16,081**	**10,321**	**26,402**
Income tax expense	-	-	-	-	(3,172)	(3,987)	(7,159)
Net profit/(loss) after tax	**-**	**-**	**-**	**-**	**12,909**	**6,334**	**19,243**
Minority interest	-	-	-	-	-	(2,131)	(2,131)
Loss on sale after income tax	-	-	-	-	-	(66,047)	(66,047)
Foreign currency translation reserve taken to Income Statement	-	-	-	-	-	9,402	9,402
Net profit/(loss) after tax attributable to members	**-**	**-**	**-**	**-**	**12,909**	**(52,442)**	**(39,533)**
Segment assets	243,543	222,557	691	-	466,791	-	466,791
Segment liabilities	12,698	93,488	84,394	-	190,580	-	190,580
Investment in associates	44,233	-	-	-	44,233	-	44,233
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	9,388	9,883	40	-	19,311	-	19,311
Depreciation and amortisation expense	4,680	6,682	54	-	11,416	-	11,416

2008

Business Segments	**Salt $'000**	**AgriProducts $'000**	**Unallocated $'000**	**Eliminations $'000**	**Continuing Operations $'000**	**Discontinued Operations $'000**	**Total $'000**
Sales – external	95,267	742,341	-	-	837,608	709,041	1,546,649
Sales – internal	1,991	-	-	(1,991)	-	-	-
Total sales revenue	**97,258**	**742,341**	**-**	**(1,991)**	**837,608**	**709,041**	**1,546,649**
Other revenue	447	663	19	-	1,129	866	1,995
Total revenue	**97,705**	**743,004**	**19**	**(1,991)**	**838,737**	**709,907**	**1,548,644**
Share of profit of associates	6,865	-	-	-	6,865	-	6,865
Result from operations before significant items	24,800	15,010	(7,612)	-	32,198	27,928	60,126
Significant items	(2,225)	(8,351)	(4,219)	-	(14,795)	(9,890)	(24,685)
Result from operations	**22,575**	**6,659**	**(11,831)**	**-**	**17,403**	**18,038**	**35,441**
Net finance costs	-	-	(14,700)	-	(14,700)	(2,038)	(16,738)
Profit from continuing operations before income tax					**2,703**	**16,000**	**18,703**
Income tax expense					2,798	(8,726)	(5,928)
Net profit					**5,501**	**7,274**	**12,775**
Segment assets	270,428	251,944	7,332	-	529,704	273,798	803,502
Segment liabilities	13,322	101,570	200,436	-	315,328	118,730	434,058
Investment in associates	44,233	-	-	-	44,233	-	44,233
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	9,235	13,539	244	-	23,018	15,197	38,215
Depreciation and amortisation expense	4,157	7,607	664	-	12,428	8,286	20,714

Business Segments

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

AgriProducts
Produces and markets stock and poultry feeds, aquafeeds, vitamins, mineral supplements and rural merchandise.

Salt
Produces, refines and markets salt and has investments in associated companies.

Discontinued operation
Produces and markets stock and poultry feeds, vitamins, mineral supplements and rural merchandise in North America (refer to Note 6).

The basis of inter-segmental transfers is market pricing.

Results are calculated on a before net borrowing costs and tax expense basis. Segment assets exclude deferred tax assets and cash, which have been included as unallocated assets.

Geographical segments

The Group predominantly operates in Australasia.

Note 32. Notes to Statements of Cash Flows

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

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent Entity 2009 $'000	Parent Entity 2008 $'000
Net cash inflow/(outflow) from operating activities	**52,966**	(925)	**16,672**	21,245
Depreciation and amortisation	**(11,416)**	(12,428)	**(389)**	(664)
Loss on disposal of discontinued operation	**(52,442)**	-	**-**	-
Net profit/(loss) on sale of non-current assets	**19**	79	**7,794**	(9)
Discontinued operations	**-**	6,657	**-**	-
Other	**898**	844	**(461)**	(170)
Significant items (asset impairments)	**(7,789)**	(10,576)	**-**	-
Dividends in excess of equity profits	**-**	(38)	**-**	-
Non-cash share-based payments	**(748)**	(441)	**(748)**	(441)
Change in operating assets and liabilities, net of effects from purchase and sale of controlled entities and businesses:				
(Decrease)/Increase in trade debtors	**(13,924)**	12,596	**-**	-
(Decrease)/Increase in inventories	**(9,990)**	8,619	**-**	-
(Decrease)/Increase in deferred tax assets	**(438)**	19	**1,467**	434
(Decrease)/Increase in other debtors	**(7,509)**	4,543	**(2,970)**	2,141
Increase/(decrease) in prepayments	**609**	(125)	**(416)**	(14)
(Increase)/decrease in trade creditors	**7,380**	137	**1,657**	(1,564)
(Increase)/decrease in employee provisions	**1,169**	74	**127**	382
(Increase)/decrease in other provisions	**1,558**	(1,754)	**(457)**	(5)
(Increase)/decrease in income tax liability	**(7,924)**	646	**(7,924)**	-
Decrease in deferred income tax liability	**8,048**	2,578	**-**	-
Profit for the year	**(39,533)**	10,505	**14,352**	21,604

(ii) Reconciliation of cash

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:

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent Entity 2009 $'000	Parent Entity 2008 $'000
Cash at bank and on hand	**280**	1,441	**5,042**	4,891
Short term deposits	**-**	395	**-**	-
	280	1,836	**5,042**	4,891
Bank overdraft	**-**	-	**-**	-
Total cash and cash equivalents	**280**	1,836	**5,042**	4,891

Note 33. Non-cash financing and investing activities

During the year dividends of $7,173,000 (2008: $7,877,000) were satisfied by the issue 8,647,348 (2008: 7,237,457) shares under the Dividend Reinvestment Plan.

Note 34. Finance facilities

Term loan facilities

Cash advance finance facility

In October 2001 the consolidated entity entered into a global facility agreement with a consortium of Australian and international banks. The facility has been amended a number of times with the most recent in December 2008 when the terms and limits of the facility were amended for three years expiring in December 2011. The facility limit is $150 million. The key covenant ratios under the facility are interest cover, debt cover, gearing and consolidated net worth. The facility is secured by fixed and floating charges over Group assets.

Short term credit facilities

Australian dollar facility

The consolidated entity has a $6,500,000 (2008: $6,500,000) net overdraft facility, subject to annual review. At 30 June 2009 and 2008 it was unutilised.

United States dollar facility

The consolidated entity has US$2,200,000 (2008: US$4,000,000) open lines of credit subject to annual review. At 30 June 2009 US$1,170,000 (2008: US$900,000) was utilised.

Total facilities available to the Group

	Consolidated			
	2009		2008	
AUD	**Limits $'000**	**Utilised $'000**	Limits $'000	Utilised $'000
Australian dollars	**156,500**	**68,000**	215,000	183,300
United States dollars	**2,707**	**1,439**	64,528	7,705
Canadian dollars	**-**	**-**	25,423	9,778
	159,207	**69,439**	304,951	200,783

	Consolidated	
	2009 Cents	2008 Cents
Note 35. Earnings per share		
Basic earnings per share from continuing operations	**4.3**	1.9
Basic earnings per share from discontinued operations	**(17.5)**	1.7
Basic earnings per share	**(13.0)**	3.6
Diluted earnings per share from continuing operations	**4.3**	1.9
Diluted earnings per share from discontinued operations	**(17.5)**	1.7
Diluted earnings per share	**(13.0)**	3.6

Note 35. Earnings per share continued

	2009 Earnings per share		2008 Earnings per share	
	Basic $'000	**Diluted $'000**	Basic $'000	Diluted $'000
Profit from continuing operations after income tax	**12,909**	**12,909**	5,501	5,501
(Loss)/profit from discontinued operations	**(52,442)**	**(52,442)**	7,274	7,274
Net profit attributable to minority interest	-	-	(2,270)	(2,270)
(Loss)/profit attributable to members and earnings used in calculating earnings per share	**(39,533)**	**(39,533)**	10,505	10,505

Weighted average number of shares used as the denominator	**Basic**	**Diluted**	Basic	Diluted
Weighted average number of shares on issue	**303,079,617**	**303,079,617**	295,937,664	295,937,664
Plus dilutive options and performance rights below share price	-	-	-	-
Weighted average number of shares used as the denominator in calculating basic and diluted earnings per share	**303,079,617**	**303,079,617**	295,937,664	295,937,664

2,943,827 shares issued under the Ridley Employee Share Scheme have been accounted for as in-substance options.

Options

Options granted to employees under the Ridley Corporation Limited Incentive Option Plan are considered to be potential ordinary shares and have been considered in the determination of diluted earnings per share. Performance rights of 1,675,000 (2008: 1,632,000) have been excluded from the determination of diluted earnings per share. Details relating to the options and performance rights are set out in Note 27.

Note 36. Investment in Controlled Entities

Name of Entity	**Country of Incorporation**	**Class of Shares**	**Equity of Parent Entity 2009**	**2008**
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.) Pty Ltd.	Australia	Ordinary	**100%**	100%
Ridley Liquids JV Pty Limited	Australia	Ordinary	**100%**	100%
Ridley AgriProducts (NZ) Pty Ltd	New Zealand	Ordinary	**100%**	100%
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%
Salt Australia Pty Ltd	Australia	Ordinary	**100%**	100%
Ocsalt Pty Ltd	Australia	Ordinary	**100%**	100%
Queensland Salt Pty Ltd	Australia	Ordinary	**100%**	100%
PT Cheetham Garam and its controlled entity	Indonesia	Ordinary	**100%**	100%
PT Cheetham International Trading	Indonesia	Ordinary	**100%**	100%
Sea Lake Salt Pty Ltd	Australia	Ordinary	**100%**	100%
Mastersalt Pty Ltd	Australia	Ordinary	**100%**	100%
Cheetham (Dry Creek) Pty Ltd	Australia	Ordinary	**100%**	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 Pty Ltd	Australia	Ordinary	**100%**	100%
Ridley M I Pty Limited	Australia	Ordinary	**100%**	100%

Name of Entity	Country of Incorporation	Class of Shares	Equity of Parent Entity 2009	2008
Ridley Inc and its controlled entities	Canada	Ordinary	-	69%
Ridley Manitoba Limited	Canada	Ordinary	-	69%
Ridley Limited Partnership and its controlled entity	Canada	Ordinary	-	69%
Ridley Nova Scotia LLC and its controlled entity	USA	Ordinary	-	69%
HFI Finance LLC	USA	Ordinary	-	69%
Feed-Rite Inc	Canada	Ordinary	-	69%
Ridley US Holding Inc. and its controlled entities	USA	Ordinary	-	69%
Hubbard Feeds Inc. and its controlled entities	USA	Ordinary	-	69%
Hubbard Feeds Management Company	USA	Ordinary	-	69%
Ridley Block Operations Inc	USA	Ordinary	-	69%
Sweetlix Inc	USA	Ordinary	-	69%
McCauley Bros. Inc	USA	Ordinary	-	69%

Note 37. Deed of cross guarantee

Ridley Corporation Limited, Ridley AgriProducts Pty Ltd, Cheetham Salt Limited and Cheetham (Dry Creek) Pty Ltd are parties to a deed of cross guarantee under which each company guarantees the debts of the others.

(a) Consolidated Income Statement and a summary of movements in consolidated retained profits

The above companies represent a Closed Group for the purposes of the Class Order, and as there are no other parties to the Deed of Cross Guarantee that are controlled by Ridley Corporation Limited, they also represent the Extended Closed Group.

Set out below is a consolidated Income Statement and a summary of movements in consolidated retained profits for the year ended 30 June 2009 of the Closed Group consisting of Ridley Corporation Limited, Ridley AgriProducts Pty Ltd, Cheetham Salt Limited and Cheetham (Dry Creek) Pty Ltd.

	Consolidated 2009 $'000	2008 $'000
Sales revenue from continuing operations	801,602	822,209
Cost of sales	726,607	755,882
Gross profit	74,995	66,327
Other revenues from continuing operations	9,997	20,173
Other income	-	236
Other expenses from continuing operations		
Selling and distribution	(14,694)	(14,832)
General and administrative	(26,128)	(27,227)
Finance costs	(13,235)	(15,111)
Significant items	(8,332)	(10,576)
Other	(4,869)	(6,946)
Profit from continuing operations before income tax expense	17,734	12,044
Income tax (benefit)/expense	2,764	(3,107)
Profit from continuing operations after income tax expense	14,970	15,151
Summary of movements in consolidated retained profits		
Retained profits at the beginning of the financial year	2,286	22,381
Accumulated losses of Ridley AgriProducts	-	(15,311)
Actuarial gains/(losses) on defined superannuation benefit – net of tax	(803)	489
Profit for the year	14,347	15,151
Transfer on disposal of asset – net of tax	13,283	-
Dividends provided for or paid	(21,075)	(20,586)
Less: Non-cash dividends paid on employee in-substance options	159	162
Retained profits at the end of the financial year	8,197	2,286

Note 37. Deed of cross guarantee continued

(b) Balance Sheet

	Consolidated 2009 $'000	Consolidated 2008 $'000
Current assets		
Cash and cash equivalents	**13**	1,169
Receivables	**88,615**	111,602
Inventories	**76,292**	87,359
Assets of disposal group classified as held for sale	**-**	83,808
Total current assets	**164,920**	283,938
Non-current assets		
Receivables	**10,415**	4,310
Property, plant and equipment	**200,166**	234,097
Intangible assets	**20,512**	15,130
Other non-current assets	**80,944**	81,849
Total non-current assets	**312,037**	335,386
Total assets	**476,957**	619,324
Current liabilities		
Payables	**98,247**	102,229
Provisions	**11,523**	14,022
Tax liabilities	**5,386**	-
Borrowings	**895**	880
Total current liabilities	**116,051**	117,131
Non-current liabilities		
Borrowings	**67,445**	183,023
Deferred tax liabilities	**3,739**	10,741
Provisions	**1,549**	1,735
Total non-current liabilities	**72,733**	195,499
Total liabilities	**188,784**	312,630
Net assets	**288,173**	306,694
Equity		
Contributed equity	**235,053**	228,566
Reserves	**44,923**	75,842
Retained profits	**8,197**	2,286
Total equity	**288,173**	306,694

Note 38. Investments accounted for using the equity method

Consolidated			**Ownership Interest**		**Carrying Amount**	
Name of Company	**Principal Activity**	**Country of Incorporation**	**2009**	2008	**2009 $'000**	2008 $'000
Salpak Pty Ltd	Salt Marketing	Australia	**49%**	49%	**14,066**	14,066
Western Salt Refinery Pty Ltd	Salt Production and Distribution	Australia	**50%**	50%	**1,455**	1,455
Dominion Salt Limited and Dominion Salt (N.I.) Limited	Salt Production and Distribution	New Zealand	**50%**	50%	**26,408**	26,408
Cerebos-Skellerup Limited	Salt Marketing	New Zealand	**49%**	49%	**2,304**	2,304
Investments in Associates					**44,233**	44,233

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting and are carried at cost by the respective Parent Entity. The balance date of 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. Financial Reports prepared as at 30 June are used for equity accounting purposes.

Movements in carrying amounts of investments in associates

A summary of the performance and financial position of the associates is as follows:

	2009 $'000	2008 $'000
Carrying amount at the beginning of the financial year	**44,233**	44,073
Additional capital contribution	**-**	185
Share of operating profits after income tax	**7,061**	6,865
Dividends received/receivable	**(7,061)**	(6,890)
Carrying amount at the end of the financial year	**44,233**	44,233
Operating profits before income tax	**10,117**	10,077
Income tax expense	**3,056**	3,225
Operating profits after income tax	**7,061**	6,852
Less: Dividends payable/paid	**7,061**	6,890
	-	(38)
Accumulated losses attributable to associates at the beginning of the financial year	**(9,441)**	(9,403)
Accumulated losses attributable to associates at the end of the financial year	**(9,441)**	(9,441)
Consolidated entity's share:		
Assets	**46,279**	44,146
Liabilities	**6,386**	6,398
Contingent liabilities	**13**	26
Operating lease commitments	**87**	52

There are no material reserves of the associated companies.

Note 39. Interests in Joint Ventures

Joint Venture Operations

Ridley Liquids JV Pty Ltd has a 50% participating interest in Champion Liquid Feeds Joint Venture. Ridley AgriProducts Pty Ltd had a 50% participating interest in Ridley TSS Joint Venture until 15 April 2009 when it sold its 50% interest. These joint ventures produce and market stockfeed. The consolidated entity is entitled to 50% of the output of the joint ventures. The consolidated entity's interests in the assets employed in this Champion Liquid Feeds Joint Venture as included in the consolidated Balance Sheet.

	Consolidated		Parent Entity	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Current assets				
Cash	**367**	686	**-**	-
Receivables	**1,439**	2,098	**-**	-
Inventories	**933**	749	**-**	-
Total current assets	**2,739**	3,533	**-**	-
Non-current assets				
Plant and equipment – at cost	**3,545**	3,012	**-**	-
Less: Accumulated depreciation	**(331)**	(149)	**-**	-
Total non-current assets	**3,214**	2,863	**-**	-
Share of assets employed in joint venture	**5,953**	6,396	**-**	-

The consolidated entity's share of operating lease commitments is $951,565 (2008: $1,044,265).

Note 40. Events occurring after the balance sheet date

No other matters of circumstances have arisen since 30 June 2009 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

In the Directors' opinion:

(a) The financial statements and notes set out on pages 48 to 98 and the Remuneration Report on pages 35 to 42 are in accordance with the Corporations Act 2001, including:

(i) Complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and

(ii) Giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance, as represented by the results of their operations and their cash flows, for the financial year ended on that date.

(b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(c) In the opinion of the Directors, as at the date of this declaration, there are reasonable grounds to believe the members of the Extended Closed Group identified in Note 37 will be able to meet any obligations or liabilities to which they are or may be become subject, by virtue of the Deed of Cross Guarantee.

(d) The audited remuneration disclosures set out on pages 35 to 42 of the Annual Report comply with AASB 124 Related Party Disclosures and the Corporation Regulations 2001.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the Corporations Act 2001.

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

JS Keniry
Director

PM Mann
Director

Sydney
24 August 2009

Independent Auditor's Report

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Independent Auditor's Report to the members of Ridley Corporation Limited

Report on the Financial Report

We have audited the accompanying Financial Report of Ridley Corporation Limited (the Company), which comprises the Balance Sheet as at 30 June 2009, and the Income Statement, statement of recognised income and expense and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Directors' declaration for both Ridley Corporation Limited and the Ridley Corporation Group (the consolidated entity). The consolidated entity comprises the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the Financial Report

The Directors of the Company are responsible for the preparation and fair presentation of the Financial Report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the Financial Report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the Directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the Financial Report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the Financial Report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the Financial Report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Financial Report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the Financial Report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the Financial Report.

For further explanation of an audit, visit our website http://www.pwc.com/au/financialstatementaudit

Our audit did not involve an analysis of the prudence of business decisions made by Directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Independence
In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion:

(a) the Financial Report of Ridley Corporation Limited is in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) the Financial Report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report in the Directors' report for the year ended 30 June 2009. The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion
In our opinion, the Remuneration Report of Ridley Corporation Limited for the year ended 30 June 2008, complies with section 300A of the Corporations Act 2001.

Matters relating to the electronic presentation of the audited Financial Report
This Auditor's Report relates to the Financial Report and Remuneration Report of Ridley Corporation Limited (the Company) for the year ended 30 June 2009 included on Ridley Corporation Limited website. The Company's Directors are responsible for the integrity of the Ridley Corporation Limited website. We have not been engaged to report on the integrity of this website. The Auditor's Report refers only to the Financial Report and Remuneration Report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements or the Remuneration Report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited Financial Report and Remuneration Report to confirm the information included in the audited Financial Report and Remuneration Report presented on this website.

Lisa Harker

PricewaterhouseCoopers

PricewaterhouseCoopers

Lisa Harker
Partner

Melbourne
24 August 2009

Shareholder Information

As at 7 September 2009

	Number of Holders	Number of Securities	% Held by 20 Largest Holders
Holdings of Securities – Ordinary Shares			
Each fully paid	7,149	307,817,071	77.28

Number Held	Number of Ordinary Holders	Number of Ordinary Shares
Distribution of Holdings – Ordinary Shares		
1 to 1,000*	1,255	532,385
1,001 to 5,000	2,757	8,338,777
5,001 to 10,000	1,403	10,417,136
10,001 to 100,000	1,644	37,474,039
100,001 and over	90	251,054,734

* There are 496 holders of less than a marketable parcel of shares.

20 Largest Fully Paid Shareholders	Number of Ordinary Holders	% of Fully Paid Ordinary Shares
National Nominees Ltd	57,120,414	18.56
RBC Dexia Investor Services Australia Nominees <BKCUST A/C>	37,288,000	12.11
HSBC Custody Nominees (Australia) Limited	27,017,591	8.78
JP Morgan Nominees Aust Ltd	22,286,697	7.24
RBC Dexia Investor Services Australia Nominees	18,577,303	6.04
GPG Nominees Pty Ltd	18,071,797	5.87
Heytesbury Pty Ltd	15,401,181	5.00
McNeil Nominees Pty Limited	12,857,111	4.18
Citicorp Nominees Pty Limited	12,184,842	3.96
Sandhurst Trustees Ltd <SISF A/C>	3,846,471	1.25
Cogent Nominees Pty Limited	3,691,012	1.20
Citicorp Nominees Pty Limited	2,840,990	0.92
Cogent Nominees Pty Limited (SMP Accounts)	1,780,099	0.58
ANZ Nominees Limited	928,218	0.30
Lawn Views Pty Ltd	800,000	0.26
Australian Reward Investment Alliance	684,822	0.22
IWPE Nominees Pty Limited	678,388	0.22
Goldman Sachs JBWere Pty Ltd	656,672	0.21
Forum Investments Pty Ltd	600,000	0.19
Gwynvill Trading Pty Ltd	600,000	0.19
	237,911,608	77.28

Substantial Shareholders	
Investors Mutual Limited	14.93%
Lazard Asset Management	11.19%
Guiness Peat Group plc and its subsidiaries	10.05%
National Australia Bank Limited and its subsidiaries	7.45%
Maple Brown Abbott	6.48%
Orbis Investment Management	6.08%
DFA Group	5.14%
PW Holmes a Court	5.00%

Directors' Holdings

On 7 September 2009, the Directors of Ridley Corporation Limited had an interest in the following shares and performance rights of the Company. No Director had any interest in the Company's employee options.

	Fully Paid Ordinary Shares	Ridley Performance Rights
JS Keniry	765,319	-
RJ Lee	169,366	-
J Murray	162,252	550,000
PM Mann	56,625	-
JM Spark	251,000	-
AL Vizard	46,658	-

Voting Rights

As at 7 September 2009, the number of holders of fully paid ordinary shares with full voting rights was 7,149. On a show of hands, every person who is a member or a representative of a member has one vote. On a poll, each shareholder is entitled to one vote for each fully paid share held. A shareholder may appoint a maximum of two proxies to represent them at general meetings.

Australian Securities Exchange

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

Ridley Website – www.ridley.com.au

The website provides access to announcements issued to the Australian Securities Exchange, copies of annual reports, corporate governance information and shareholder information.

Share Registry

Computershare Investor Services Pty Limited
Level 2, 60 Carrington Street, Sydney New South Wales 2000

All correspondence to:

GPO Box 242, Melbourne Victoria 3001

Telephone: (within Australia): 1300 855 080
Facsimile: (within Australia): 03 9473 2500

Telephone: (outside Australia): +61 3 9415 4000
Facsimile: (outside Australia): +61 3 9473 2500

www.computershare.com.au
web.queries@computershare.com.au

Corporate Directory

Ridley Corporation Limited
ABN 33 006 708 765

Corporate office and registered office
Level 4, 565 Bourke Street
Melbourne Victoria 3000 Australia

Telephone	03 8624 6500
Facsimile	03 8624 6505
Email	secretary@ridley.com.au

Ridley AgriProducts Pty Limited
ABN 94 006 544 145

Head office
Level 4, 565 Bourke Street
Melbourne Victoria 3000 Australia

Telephone	03 8624 6500
Facsimile	03 8624 6505

Cheetham Salt Limited
ABN 81 006 926 487

Head office
Level 4, 565 Bourke Street
Melbourne Victoria 3000 Australia

Telephone	03 8624 6500
Facsimile	03 8624 6505

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