



## PROPERTY SALE AND INVENTORY UPDATE

Melbourne, Australia, 28 June 2018

Ridley Corporation Limited (**Ridley**) (**ASX:RIC**) wishes to advise that it has completed the sale of its second largest parcel of surplus land at Lara, referred to as Lot B, for total consideration of \$5.0 million. The undeveloped land represents a total of 237.0 Hectares (**Ha**) in close proximity to Avalon airport as shown below.



**Legend:** Blue ellipses are residual land holdings south of Dandos Road comprising c.98Ha and c.124Ha respectively. Lot A is 417.7 Ha adjacent to the airport.

The terms of the sale agreement include the payment of \$0.5 million at today's date of sale, with the balance to be received in three equal instalments of \$1.5 million payable 12 months, 24 months and 36 months after the date of sale. The sale transaction will be recorded in the current year's financial result, after bringing to account all associated costs.

With a low cost base which reflects the long period of tenure, a pre-tax profit in the vicinity of \$4.4 million is expected to be generated before net present valuing the deferred consideration.

In a follow up to its release of 18 April 2018, Ridley Corporation Limited advises the market that there has been no further supply of raw material from Red Lea in the fourth quarter of this financial year. Maroota operations have consequently been rescaled to accommodate the reduction in processing volume and management continues to make positive progress towards developing new revenue streams for the Maroota site to replace the lost earnings, however they will not make a significant positive contribution to the FY18 result.

Ridley further advises that a conservative position has been reached regarding the Aquafeed inventory legacy issue arising from cessation of Huon feed supply in order to ensure that there is no residual financial impact flowing through to FY19. Consequently, the full value of the finished goods inventory of c.\$8.4m will be written down to zero at 30 June 2018. This decision brings to account an additional \$5.4m of cost over and above the estimated full year pre-tax impact of \$5.6 million as announced to the market in April 2018.

Ridley Chief Executive Officer Mr Tim Hart commented "While the commercial outcome for the inventory legacy is disappointing, it is a non-recurring issue and taking the action that we have enables us to move forward unimpeded. We are pleased to have generated positive shareholder value through the sale of Lot B at Lara, having been a patient seller for some time awaiting an offer which we believe represents good value for our shareholders."

**For further information please contact:**

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