



RIDLEY DIVESTS 25% JOINT VENTURE INTEREST IN CME

Melbourne, Australia, 1 February 2017:

Ridley Corporation Limited (**Ridley**) (**ASX: RIC**) advises that it is a party to a Share and Unit Sale Agreement (**SUSA**) to dispose of its joint venture 25% interest in Consolidated Manufacturing Enterprises Pty Ltd. (**CME**), an investment of \$2.3 million to address capacity constraints at Ridley's Aquafeed and Packaged Product production facility at Narangba, Brisbane.

In a joint venture with Indigenous Business Australia (**IBA**) established in 2010, the former pet food manufacturing plant located at Inverell in New South Wales became an overflow production facility for Ridley with extrusion capacity to manufacture Aquafeed and certain Packaged Products.

Whilst the terms of the SUSA are subject to confidentiality, Ridley's 25% share of the net cash proceeds is approximately \$3.0 million and will deliver a pre-tax accounting profit in the vicinity of \$0.7 million after finalisation of a completion balance sheet and deducting transaction costs.

The timing of the sale coincides with Ridley's 20 January 2017 announcement to construct a new feedmill in Tasmania and with an extensive capital upgrade program at Narangba to introduce a new fat coater, pellet cooler, and second extrusion line to manage trial and product development activity.

Ridley CEO Tim Hart commented "Our investment at Inverell has served us well over the years, however the adoption of our long term strategy to consolidate our Aquafeed and extruded pet food operations into our new feedmill to be built in Tasmania and to Narangba, will conclude our requirements for the Inverell facility. We are delighted that the sale process has delivered such a positive outcome not only for the two CME shareholders but also for the local community, for whom the facility is such a significant employer."

"Until the new Tasmanian feedmill is fully operational, the Inverell site will continue to service our extruded Packaged Product lines through the extension of our existing toll manufacturing, arm's length supply agreement."

Mr Hart concluded that "Ridley is committed to being Australia's leading provider of high performance animal nutrition solutions across a broad range of species. The divestment of the joint venture investment for cash proceeds and a healthy profit is an excellent outcome as part of our strategy to consolidate Aquafeed and Packaged Products activities to wholly owned, state of the art Ridley sites in the most appropriate locations."

For further Ridley information please contact:

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