



RECORD PROFIT FOR RIDLEY AGRIPRODUCTS UNDERPINS STRONG NET PROFIT FOR CONTINUING OPERATIONS

Ridley Corporation Limited (“**Ridley**”) today 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 \$4.4m 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:

- (i) 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
- (ii) other significant, non-recurring 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 \$6.9m was reported at the half year.

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	Refer below
Operating (Loss)/profit after tax	(39,533)	12,775	
Minority interest	-	(2,270)	
Profit attributable to Ridley members	(39,533)	10,505	

OPERATING RESULT

Ridley AgriProducts

In a year that was 'unexceptional' in its operational environment, Ridley AgriProducts has produced a record Earnings Before Interest and Tax ("**EBIT**") result of \$24.4m, 63% up on last year. 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. When normalised for the full year benefits of cost savings achieved during the 2009 year, the result would increase to \$26.4m.

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.

In summary, Ridley AgriProducts 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 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 St, Melbourne office.

As a result of two abnormally large costs which impacted the operating result by \$4.8m, Cheetham reported earnings for 2009 of \$20.0m, a reduction of 19%. The first of these costs related to the write off of crude salt losses of \$3.5m, mainly due to abnormal weather in Queensland associated with unusually high rainfall and a loss of salt from the crystalliser ponds at Port Alma.

The second of the two costs incurred was \$1.3m caused by inventory losses and unrecoverable revenues due to insufficient documentation and traceability associated with the implementation of the Cheetham Enterprise Resource Planning ("**ERP**") system during the year.

Both of the above issues have been addressed and processes put into place to prevent any recurrence.

Sales Revenue and gross profit

2009 sales revenue from continuing operations was \$819.4 million, 2.2% down on the prior year. A \$26.2m (3.4%) improvement in cost of sales led to an increase in gross profit of \$7.3m, 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 \$12.4m for the year include an interest expense for 2009 of \$13.4m, a reduction of \$1.8m, or 12.0%, on last year. Upon receipt of the \$91.6m of proceeds from the 5 November 2008 sale of Ridley Inc., debt was retired and the existing 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 \$7.1m. This profit and cash stream continues to exhibit consistency over a long period of time and a growth path which correlates to movements in CPI.

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 \$7.4m is \$3.0m less than the previous year, a reduction of 29%.

(i) 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.

(ii) Closure of Sydney Corporate Office

The transfer of Ridley’s Corporate Office from Sydney to Melbourne as announced in the prior year 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 \$0.6m in the second half in respect of relocation and restructure plus conclusion of the prior year takeover defence.

(iii) 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.

A summary of significant items is provided in the following table.

	Gross	Tax	Net
	in \$'000	in \$'000	in \$'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

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

The sale of Ridley Inc. was completed on 5 November 2008 and generated sale proceeds of \$91.6 million, which were used to reduce the level of Ridley debt. 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 has been provided for in full, is fully hedged, and is payable 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 US 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 \$3.2m was recorded for the Ridley Tax Consolidated Group ("TCG"). 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.

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 Group 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 any dividends in the 2010 financial year.

DIVIDEND

Directors have declared a final dividend of 3.50 cents per share, unfranked, and unchanged from the previous final dividend. The dividend will be payable on 16 October 2009 to shareholders on the register at 5:00 p.m. on 11 September 2009.

The dividend declared is unfranked and payable wholly in cash. The total dividend payable for the year is therefore 7.00 cents per share, which is the same level of dividend as has been paid since 2006. The Group 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 Group 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 \$14.1m and will reduce in 2010 in proportion to the average levels of debt.

A total of \$14.2m 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. \$5.1m has been expended during the year on the implementation of the new ERP system for Ridley AgriProducts.

After-tax cash dividends of \$7.6m 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 \$21.1m were satisfied by \$13.7m paid in cash by Ridley and \$7.2m through the take up of the Dividend Reinvestment Plan, which has recently been suspended for the purposes of the 2009 final dividend, and \$0.2m applied against equity loan balances. The level of cash dividend paid by Ridley 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 Group has been introduced to optimise the utilisation of the existing debt facility.

BANKING FACILITIES

Following the sale of Ridley Inc., the Group borrowing requirements reduced significantly and the Group elected to renegotiate the facility beyond the expiry date of 31 July 2010 and at lower facility limits more aligned to the Group's 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 \$6.5m. 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	1,439
	159,207	69,439

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.

	2009	2008
	Cents	Cents
Earnings per share		
Basic earnings per share from continuing underlying operations	4.3	1.9
Basic earnings per share from discontinued operations	(17.3)	1.7
Basic earnings per share	(13.0)	3.6

GEARING

The Group 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 \$1.96m. 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 \$1.1m in the Dry Creek salt field but a reduction of approximately \$23.8m 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 \$1.96m and salt fields of \$22.77m 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 \$22.77m, plus a decrement of \$1.96m against land and buildings, for a total of \$24.73m. The corresponding reduction is reflected as a movement in the asset revaluation reserve.

EXCHANGE RATE

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 the Group for the year are shown following.

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

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 \$7.17m, 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.

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.

When the net profit before significant items for continuing operations of \$20.3m is normalised for the full year benefit of cost savings in AgriProducts (+\$2.0m), crude salt write off and ERP implementation costs (+\$4.8m), lower finance costs based on reduced debt levels (+\$4.4m) and the tax effect of these normalising adjustments at the 30% corporate tax rate (-\$3.4m), the outcome is an after tax result of \$28.1m

Ridley believes this normalised result of \$28.1m provides an accurate reflection of where the business is operating today.

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, however the full year benefit of these programmes will not be realised until the 2011 year.

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.

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



Ridley Corporation Limited
Appendix 4E Preliminary final report

ABN 33 006 708 765

Results for announcement to the market

Reporting period: Financial year ended 30 June 2009
Previous corresponding period: Financial year ended 30 June 2008
Release date: 25 August 2009

					\$A'000
Revenues from continuing operations	Down	2.2%	to		819,437
Profit from continuing operations after tax before significant items	Up	27.6%	to		20,313
Significant items after tax (note 5)					(7,404)
Profit from continuing operations after tax	Up	134.7%	to		12,909
Loss from discontinued operations after tax					(52,442)
Net loss for the period attributable to members	Down	476.3%	to		(39,533)

Dividends	Amount per security	Franked amount per security
Final dividend	3.50¢	Unfranked
Interim dividend (paid 31 March 2009)	3.50¢	Unfranked

Record date for determining entitlements to the final dividend	11 September 2009
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Brief Explanation

See attached Press Release.

Audit statement

This report is based on accounts which have been audited. The audit report, which was unqualified, will be made available with the Company's financial report.

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Note	CONSOLIDATED	
		2009	2008
		\$'000	\$'000
Revenue from continuing operations	2	819,437	838,373
Cost of sales		(741,333)	(767,586)
Gross Profit		78,104	70,787
Other income	3	1,379	872
Expenses from continuing operations:			
Selling and distribution		(16,031)	(15,535)
General and administrative		(31,952)	(30,284)
Finance costs	4	(13,367)	(15,207)
Impairment of assets and restructure costs	5	(8,974)	(13,046)
Other	5	(139)	(1,749)
Share of net profits from associates	11	7,061	6,865
Profit from continuing operations before income tax expense		16,081	2,703
Income tax (benefit)/expense		3,172	(2,798)
Profit from continuing operations after income tax expense		12,909	5,501
(Loss)/Profit from discontinued operations	6	(52,442)	7,274
(Loss)/Profit for the year		(39,533)	12,775
Profit attributable to minority interest		-	2,270
Net (loss)/profit after tax attributable to members of Ridley Corporation Limited		(39,533)	10,505
Basic earnings per share from continuing operations	12	4.3c	1.9c
Basic earnings per share	12	(13.0c)	3.6c
Diluted earnings per share from continuing operations	12	4.3c	1.9c
Diluted earnings per share	12	(13.0c)	3.6c

The above income statement should be read in conjunction with accompanying notes.

BALANCE SHEET AS AT 30 JUNE 2009

	Note	2009 \$'000	2008 \$'000
CONSOLIDATED			
Current assets			
Cash and cash equivalents	10	280	1,836
Receivables		94,374	115,198
Inventories		79,218	89,208
Current tax receivable		1,830	-
Derivative financial instruments		-	1,041
Assets of disposal group classified as held for sale		-	273,798
Total current assets		175,702	481,081
Non-current assets			
Receivables		-	5
Investments accounted for using the equity method		44,233	44,233
Property, plant and equipment		224,792	256,725
Deferred tax assets		-	438
Intangible assets		23,894	20,115
Retirement benefit assets		-	905
Other non-current assets		-	-
Total non-current assets		292,919	322,421
Total assets		468,621	803,502
Current liabilities			
Payables		97,137	104,517
Borrowings		1,969	1,674
Current tax liabilities		7,216	-
Provisions		11,523	14,022
Derivative financial instruments		3,262	-
Liabilities of disposal group classified as held for sale		-	118,730
Total current liabilities		121,107	238,943
Non-current liabilities			
Borrowings		67,445	183,023
Deferred tax liabilities		2,309	10,357
Provisions		1,487	1,735
Retirement benefit obligations		62	-
Total non-current liabilities		71,303	195,115
Total liabilities		192,410	434,058
Net assets		276,211	369,444
Equity			
Contributed equity		235,053	228,566
Reserves		37,447	56,279
Retained profits	9	3,711	35,674
Parent entity interest		276,211	320,519
Minority interest		-	48,925
Total equity		276,211	369,444
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Net tangible asset per ordinary share		\$0.83	\$0.91

The above balance sheet should be read in conjunction with accompanying notes.

**STATEMENT OF RECOGNISED INCOME AND EXPENSE
FOR THE YEAR ENDED 30 JUNE 2009**

	CONSOLIDATED	
	2009	2008
	\$'000	\$'000
Income and expenses recognised directly in equity		
Loss on revaluation/impairment of land and buildings, net of tax	(17,620)	(928)
Actuarial (loss)/gain on defined benefit superannuation and pension plans, net of tax	(803)	553
Changes in the fair value of cash flow hedges, net of tax	(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)
(Loss)/Profit for the year	(39,533)	12,775
Total recognised income and expense for the year	(3,660)	(6,134)
Total recognised income and expense for the year is attributable to:		
Ridley Corporation Limited	(21,226)	(2,626)
Minority interest	17,566	(3,508)
	(3,660)	(6,134)

The above statement of recognised income and expense should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2009

	Note	CONSOLIDATED	
		2009	2008
		\$'000	\$'000
Cash flows from operating activities			
Receipts from customers		921,629	901,544
Payments to suppliers and employees		(864,433)	(894,465)
Dividends received		7,598	7,382
Interest received		939	507
Other revenue received		874	841
Interest and other costs of finance paid		(14,135)	(14,581)
Income taxes paid			
		494	(2,153)
Net cash inflow/(outflow) from operating activities		52,966	(925)
Cash flows from investing activities			
Net proceeds from sale of controlled entities		91,602	-
Payments for property, plant and equipment		(14,218)	(19,102)
Payments for intangibles		(5,094)	(3,915)
Proceeds from sale of non-current assets			
		2,916	312
Net cash inflow/(outflow) from investing activities		75,206	(22,705)
Cash flows from financing activities			
Proceeds from issue of equity instruments		265	210
Shares repurchased		(950)	(757)
Proceeds from borrowings		164,000	232,171
Repayment of borrowings		(279,300)	(197,600)
Dividends paid			
		(13,743)	(12,542)
Net cash inflow/(outflow) from financing activities		(129,728)	21,482
Net increase/(decrease) in cash held		(1,556)	(2,148)
Cash at the beginning of the financial year		1,836	3,984
Cash at the end of the financial year	10	280	1,836

The above cash flow statement should be read in conjunction with accompanying notes.

Notes to the financial statements
For the year ended 30 June 2009

Note 1 – BASIS OF PREPARATION OF PRELIMINARY FINAL REPORT

This report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS) and other mandatory professional reporting requirements for the purpose of fulfilling the Group's obligation under Australian Securities Exchange (ASX) listing rules. The report is presented in Australian dollars.

The accounting policies have been applied consistently to all periods presented in the consolidated financial report. The financial report has been prepared on the basis of historical cost, except for derivative financial instruments which have been measured at fair value. A full description of the accounting policies adopted by the Group may be found in the Group's full financial report.

	CONSOLIDATED	
	2009	2008
	\$'000	\$'000
Note 2 – REVENUE		
Revenue from continuing operations		
Sale of goods	818,362	837,608
Interest	939	507
Rent received	136	258
	819,437	838,373

Note 3 – OTHER INCOME

Profit on sale of property, plant and equipment	88	162
Foreign exchange gains – net	553	127
Other	738	583
	1,379	872

Note 4 – EXPENSES

Depreciation and amortisation		
Land and buildings	1,052	1,074
Plant and equipment	9,671	10,320
Software	362	446
	11,085	11,840
Finance costs		
Amortisation of borrowing costs	330	588
Interest expense	13,037	14,619
	13,367	15,207
Employee costs	76,624	74,368
Operating lease expense	3,771	6,808

Notes to the financial statements
For the year ended 30 June 2009

	CONSOLIDATED	
	2009	2008
	\$'000	\$'000
Note 5 – SIGNIFICANT ITEMS		
Continuing operations		
Impairment of assets and restructure (pre-tax)		
Corporate restructuring costs	1,185	2,470
Impairment of assets – supplements business	7,789	-
Impairment of assets and business restructuring costs	-	10,576
	8,974	13,046
Takeover defence costs (pre-tax)	139	1,749
Included in tax expense:		
Tax losses written off	696	-
Tax effect on significant items	(2,405)	(4,381)
	(1,709)	(4,381)
Significant items after tax	7,404	10,414
Discontinued operations		
Canadian law suit settlement	-	6,753
Impairment of assets and restructuring costs	-	3,137
	-	9,890

Note 6 – DISCONTINUED OPERATION DURING THE PERIOD

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.

b) Contribution of disposal of Ridley Inc

The contribution of Ridley Inc to the reporting entity's profit from ordinary activities for the period of 1 July 2008 to 5 November 2008 and during the whole of the previous corresponding period.

	CONSOLIDATED	
	2009	2008
	\$'000	\$'000
Sales revenue from discontinued operations	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
Other expenses from discontinued operations		
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 operations before income tax expense	10,321	16,000
Income tax expense	3,987	8,726
Profit from discontinued operations after income tax expense	6,334	7,274

**Notes to the financial statements
For the year ended 30 June 2009**

Note 6 – DISCONTINUED OPERATION DURING THE PERIOD (CONTINUED)

b) Summary of loss on disposal of Ridley Inc

	CONSOLIDATED 2009 \$'000
Total disposal consideration, satisfied in cash	<u>91,602</u>
Carrying amount of net assets sold	<u>(149,725)</u>
Loss on sale before income tax	<u>(58,123)</u>
Income tax expense	<u>(7,924)</u>
Loss on sale after income tax	<u>(66,047)</u>

	CONSOLIDATED 2009 \$'000	2008 \$'000
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Note 7 – DIVIDENDS

Ordinary

Final dividend paid on 14 October 2008 (2008: 9 October 2007) unfranked – 3.50 (2008: 3.50 50% franked) cents per share	10,471	10,218
Interim dividend paid on 31 March 2009 (2008: 30 March 2007) unfranked – 3.50 (2008: 3.50 50% franked) cents per share	10,604	10,368
Total dividends paid	<u>21,075</u>	<u>20,586</u>

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 3.50 cents, unfranked (2008: 3.50 cents unfranked) per fully paid share payable on 16 October 2009 (2007: 9 October 2007). 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
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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
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(a) 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. The Dividend Reinvestment Plan was suspended by Board resolution after balance date such that the October 2009 dividend will be payable wholly in cash.

Notes to the financial statements
For the year ended 30 June 2009

Note 8 – SEGMENT REPORTING

Business Segment Data – 2009

Business Segments	Salt	AgriProducts	Unallocated	Eliminations	Continuing Operations	Discontinued Operations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'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

Notes to the financial statements
For the year ended 30 June 2009

Note 8 – SEGMENT REPORTING (continued)

Business Segment Data – 2008

Business Segments	Salt	AgriProducts	Unallocated	Eliminations	Continuing Operations	Discontinued Operations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'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)	(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

**Notes to the financial statements
For the year ended 30 June 2009**

Note 9 – RETAINED PROFITS

	CONSOLIDATED	
	2009	2008
	\$'000	\$'000
Balance at 1 July	35,674	44,607
Actuarial (losses)/gains on defined benefit superannuation and pension plans – net of tax	(803)	533
Net (loss)/profit for the year	(39,533)	10,505
Dividends paid	(21,075)	(20,586)
Less: Non cash dividends paid on employee in-substance options	159	162
Transfer on disposal of asset – net of tax	-	453
Transfer on disposal of Ridley Inc	29,289	-
Balance at 30 June	3,711	35,674

Note 10 – RECONCILIATION OF CASH

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statements of financial position as follows:

Cash	280	1,441
Short-term deposits	-	395
	280	1,836
Bank overdraft	-	-
Total cash	280	1,836

Note 11 – INVESTMENTS IN ASSOCIATES

Name of Company	Principal Activity	Country of Incorporation	Ownership Interest		Contribution to Net Profit	
			2009	2008	2009	2008
					\$'000	\$'000
Salpak Pty Ltd	Salt Marketing	Australia	49%	49%	2,552	2,467
Western Salt Refinery Pty Ltd	Salt Production and Distribution	Australia	50%	50%	306	376
Dominion Salt Limited and Dominion Salt (N.I.) Limited	Salt Production and Distribution	New Zealand	50%	50%	3,931	3,690
Cerebos-Skellerup Limited	Salt Marketing	New Zealand	49%	49%	272	332
TOTAL					7,061	6,865

Notes to the financial statements
For the year ended 30 June 2009

	CONSOLIDATED	
	2009	2008
Note 12 – EARNINGS PER SHARE		
Basic earnings per share from continuing operations	4.3c	1.9c
Basic earnings per share from discontinued operations	(17.5c)	1.7c
Basic earnings per share	(13.0c)	3.6c
Diluted earnings per share from continuing operations	4.3c	1.9c
Diluted earnings per share from discontinued operations	(17.5c)	1.7c
Diluted earnings per share	(13.0c)	3.6c

	2009		2008	
	Earnings per share		Earnings per share	
	Basic	Diluted	Basic	Diluted
	\$'000	\$'000	\$'000	\$'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
	303,079,617	303,079,617	295,937,664	295,937,664
Weighted average number of shares on issue	-	-	-	-
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.

Note 13 – 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.