RIDLEY

RIDLEY CORPORATION ANNUAL REPORT 2004

’04

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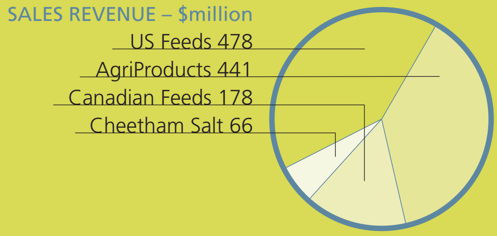
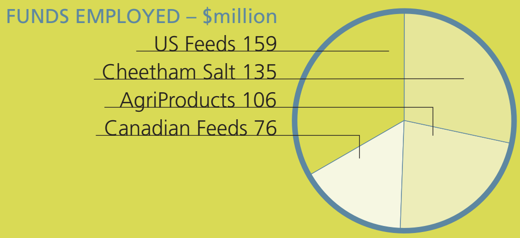
ANNUAL GENERAL MEETING

THE ANNUAL GENERAL MEETING OF RIDLEY CORPORATION LIMITED ABN 33 006 708 765 WILL BE HELD AT 10AM ON MONDAY, 25 OCTOBER 2004 IN THE JAMES COOK BALLROOM, INTERCONTINENTAL HOTEL, 117 MACQUARIE STREET SYDNEY, NSW 2000.

A FORMAL NOTICE OF MEETING AND PROXY FORM IS ENCLOSED WITH THIS REPORT.





RIDLEY IS AUSTRALIA'S LARGEST STOCKFEED MANUFACTURER AND PRODUCER AND REFINER OF SALT FOR FOOD AND INDUSTRIAL MARKETS

ITS 69% OWNED SUBSIDIARY RIDLEY INC RANKS AMONG THE LARGEST STOCKFEED MANUFACTURERS IN NORTH AMERICA

RIDLEY OPERATIONS	AUSTRALIA	NEW ZEALAND	INDONESIA	US	CANADA
CHEETHAM SALT					
Salt refineries	8	2	1		
Salt fields	10	1			
Distribution warehouses	2				
RIDLEY AGRIPRODUCTS					
Mixed stockfeed plants	8				
Monogastric stockfeed plants	5				
Ruminant stockfeed plants	5				
Supplement plants	2				
Aquafeed plant	1				
Distribution warehouses	2				
RIDLEY INC.					
Mixed stockfeed plants				22	11
Equine nutrition plants				2	
Low moisture block plants				4	
Feed supplement block plants				3	
Micro premix plants				1	
Macro premix plants					3
Retail stores					6

As at 30 August 2004

This has been one of Ridley's more challenging years. Operating earnings were well down on last year, and the bottom-line result was made even more unsatisfactory by bad debt provisions particularly in the North American swine sector. For Ridley's Australian feed business, recovery from the drought has been slow, contributing to reduced sales, especially in the dairy industry. In addition, the Australian dollar has remained relatively strong, putting prices under further pressure, particularly for milk powder and pork. This in turn has led to increased competition and tighter margins. Our Cheetham Salt operation's turnover was down, largely due to the depressed conditions in, and consequent lower sales to, the hide and agricultural sectors. As in our Australian feed business, reduced volumes in the market generally again led to increased competition and tighter margins.

LOOKING FORWARD WE EXPECT IMPROVED RESULTS, THANKS TO PROSPECTS FOR BETTER REVENUES AND STILL IMPROVING PRODUCER ECONOMICS

North America experienced yet another year of food safety issues, including outbreaks of the cattle disease Bovine Spongiform Encephalopathy (BSE) and avian influenza. These issues invariably impact consumers' perceptions of the food industry and lead to increased costs and uncertainty. These events have, once again, justified our on going, strenuous focus on product quality.

For the overall Australian economy, the proposed free trade agreement with the United States is welcome news because it gives us better access to the North American market. However, the gains to the Australian agricultural sector will be small at best and some sectors will be under increased scrutiny and pressure from imports. It will be essential to hold to a firm and rigorous quarantine regime and not compromise the long term superior health status of these industries for short term gains in other sectors.

Looking forward, we have had a slow start to the year in North America but overall we expect improved results, thanks to prospects for better revenues and still improving producer economics. In North America, prices have been firming and producer returns have been among the highest on record. In these circumstances it is somewhat ironic that subsidies to US producers under the US Farm Bill in the past year were also at record highs.

However, significant trading challenges remain. In Australia the full effects of the drought remain to be seen so we must recognise that forecasting performance is somewhat difficult.

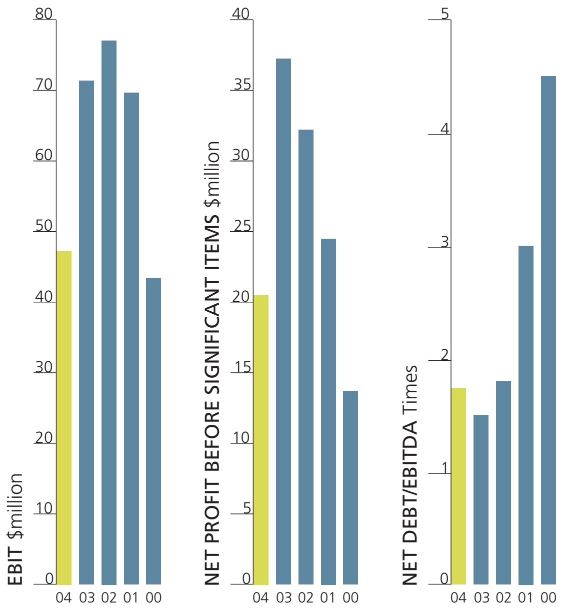
CHAIRMAN'S REVIEW

In North America, the overhang of BSE, avian influenza and food safety issues generally may continue to contribute to high levels of uncertainty. Notwithstanding these external factors, overall Ridley remains well placed within the animal nutrition industry in North America.

The Ridley Board continues to maintain its serious approach to effective governance. The Federal Government's Corporate Law Economic Reform Program (CLERP 9), which took effect from July this year, requires companies to meet further levels of compliance. The corporate governance section of this report outlines in some detail how we as a company are meeting these requirements. That said, shareholders can rest assured that Ridley remains, as always, dedicated to openness, integrity, accountability and assiduous financial stewardship.

Finally, on behalf of my fellow Board members, I would like to extend warm thanks to Matthew Bickford-Smith, the management team and all Ridley employees for their hard work during the year, sometimes under difficult circumstances. We expect and look forward to brighter prospects in our key markets and better results in the year to come.

JOHN S KENIRY CHAIRMAN



PERFORMANCE HIGHLIGHTS

FIVE YEAR SUMMARY $'000	2004	2003	2002	2001	2000
OPERATING RESULTS					
Sales revenue	1,179,348	1,410,888	1,408,284	1,378,790	986,534
Other revenue	8,714	7,605	14,755	13,992	34,545
Earnings before interest tax depreciation and amortisation (EBITDA)*	70,776	98,764	105,947	98,582	68,192
Earnings before interest and tax*	47,278	71,344	77,062	69,627	43,414
Net interest expense/finance charge	10,720	13,046	17,747	21,797	17,375
Operating profit before tax*	36,558	58,298	59,315	47,830	26,039
Tax expense	11,828	14,616	20,720	17,831	11,206
Net profit before significant items	24,730	43,682	38,595	29,999	14,833
Outside equity interests (OEI)	4,240	6,449	6,400	5,501	1,119
Net profit before significant items after OEI	20,490	37,233	32,195	24,498	13,714
Significant items – net of tax and OEI	(2,790)	(5,935)	–	(12,406)	794
Net profit after tax and significant items	17,700	31,298	32,195	12,092	14,508
FINANCIAL POSITION					
Ridley shareholders' funds	319,049	317,644	302,931	279,454	260,869
Outside equity interests	49,573	47,574	48,770	46,967	41,951
Total assets	657,490	702,775	766,271	829,415	798,577
Total liabilities	288,868	337,557	414,570	502,994	495,757
Funds employed	467,096	491,510	531,828	599,640	573,278
KEY RATIOS					
Net debt/EBITDA (times)	1.7	1.5	1.8	3.0	4.5
EBITDA/net interest (times)	6.6	7.6	6.0	4.6	4.1
Net debt/shareholders' equity	33.4%	41.2%	54.9%	89.6%	101.3%
Return on shareholders' funds	6.4%	12.0%	11.1%	9.1%	6.0%
OTHER INFORMATION					
Dividends per share (cents)	5.75	5.75	4.50	4.00	4.00
EBITDA per share* (cents)	26.4	37.1	43.2	41.2	28.7
Net tangible asset backing per share (cents)	104.4	103.7	96.3	93.3	83.9
Earnings per share* (cents)	7.7	14.0	13.1	10.2	5.8
Number of ordinary shareholders	11,075	11,859	13,420	13,732	14,345
Employees	2,064	2,109	2,299	2,214	2,348

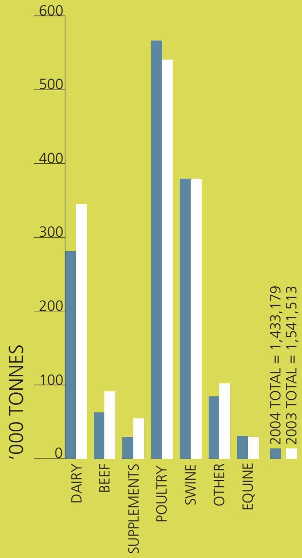
* Before significant items

OPERATING HIGHLIGHTS

AGRIPRODUCTS

Sales $441 million down 21%
EBIT $7 million down 65%

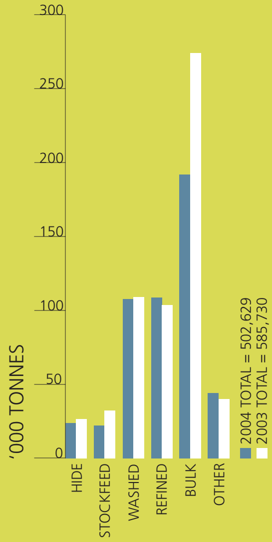
FEATURES
– Rapid decline in grain prices in first half
– Dairy market – very slow recovery
– Poor season for supplements
– Competitive pressure due to volume decline
– Cost reductions



SALT

Sales $66 million down 9%
EBIT $20 million down 11%

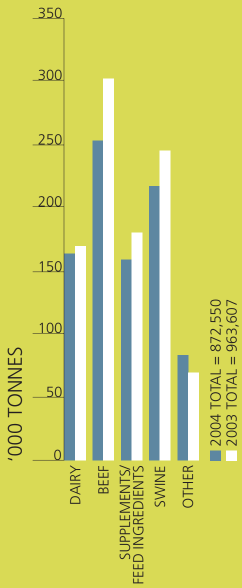
FEATURES
– Lower stockfeed and hide volumes following drought
– Japanese initiative on target
– Currency and freight crimp exports



US FEEDS

Sales $478 million down 13%
EBIT $26 million down 34%

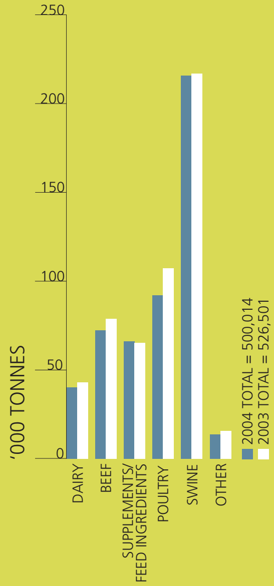
FEATURES
– Swine margins under pressure/ customer consolidation
– Ongoing disease issues
– Higher corn/meal prices
– Supplements volumes low/high cattle prices/border closure



CANADA FEEDS

Sales $178 million down 16%
EBIT $7 million down 35%

FEATURES
– BSE/border closure
– Cattle prices
– Currency CAD strength against USD
– Producer economics



MANY OF THE ISSUES RIDLEY FACED THIS YEAR ARE TO AN EXTENT INEXTRICABLY LINKED TO THE AGRICULTURAL ENVIRONMENT IN WHICH WE OPERATE

For a multitude of reasons – some well-publicised and some not – this has been without doubt one of the most problematic environments through which Ridley has had to navigate its three animal nutrition businesses. All the difficulties at times associated with agricultural operations affected our earnings this year: weather, disease, trade disputes, politics, commodity cost volatility and currency swings. While some of these challenges strictly related to specific species groups within the domestic markets in which our various businesses operate, a range of broad and significant macro events also manifested themselves and negatively affected our earnings both in North America and Australia.

Many of the issues Ridley faced this year are to an extent inextricably linked to the agricultural environment in which we operate. However, what surprised us, and certainly tested our management skills, was the severity and duration of these events. We witnessed what one of our North American executives called "the perfect storm". By the time this report is read, our earnings for fiscal '04 will be well known; like all of us at Ridley, shareholders will be disappointed with the underlying results. But it should be noted that despite sailing into the perfect storm, the company navigated its way through, with a firm focus on our balance sheet. We reduced debt, held dividend payments, invested more in maintaining our assets and acquired new businesses. At the same time many of our risk management strategies were put to the test and proved to be not only rigorous, but successful in preventing further erosion of earnings.

MANAGING DIRECTOR'S REVIEW

That said, with such a downturn in our earnings this year, it is important to give shareholders a greater understanding of what has happened specifically across each of our animal nutrition businesses and to try and distinguish between what was cyclical and what might be structural.

RIDLEY AGRIPRODUCTS

In Australia, the well-publicised drought that had taken hold of the country showed signs of breaking in June 2003, with heavy rainfall in most of the grain-growing regions. This had the effect of pushing domestic grain prices sharply lower and while the drought still persisted in many other parts of the country, some of our customers, specifically those in the poultry and swine sectors, benefited immediately from lower grain prices. For Ridley, the steep fall in domestic grain prices put tremendous pressure on our margins in the first half of the year as inventory values had to be continually adjusted downwards in line with the falling prices.

As the drought began to unwind further, all processors in the animal nutrition sector began to compete for sales in a marketplace that had substantially contracted in size. In an industry with structural over-capacity, margins shrank as competitors sought to cover fixed costs and retain market share. Over the course of the drought, milk production within the dairy sector contracted by close to 11%. This, combined with a slump in world market prices, favourable pasture growth following good rains and the fall in grain prices, allowing producers to substitute grain for compound feed, led to a 20% decline in our dairy sales over last year. In the beef sector, the national herd contracted by close to 10%. Once again, favourable pasture growing conditions led to a fall in supplemental feeding and in turn a reduction in our sales into this sector by over 30%.

While margins came under pressure, sales into the pork sector were flat when compared to the previous year, despite a steady reduction in the sow population. In poultry, sales volumes were up 5% as the industry continued to consolidate following a period of intense competition within the domestic market, which led to low returns for the processing sector.

Our response to the difficult conditions experienced in the Australian marketplace was to reduce variable costs where we were able. But we took the strategic view early on in the year that the downturn we were experiencing was cyclical rather than a structural change within the marketplace, and continued to focus on our market share and key customers in the various species categories, positioning ourselves for the upturn. While the drought has considerably abated in most parts of the country, it has left scars on the landscape. Its duration was longer than we expected and has resulted in a significant erosion to a large number of our customers' balance sheets, which to varying degrees are still being repaired, and as a result is acting as a drag on overall confidence.

While confidence especially within the dairy sector remains fragile with the uneven drought recovery at the farm level, we are seeing a gradual return to more normalised feeding. Milk prices on average are up little over 5% on last year and the all-important world market is strong as demand is being met with little resistance following the cutback in European export subsidies and the levelling off of US production. In the short term, the pork sector is seeing an improvement in domestic demand as exports grow into Asia following the effects of avian influenza and as demand for Australian pork lifts on the back of our product integrity. The longer term outlook for the pork sector remains uncertain as imports continue to increase year-on-year and confidence ebbs as the industry awaits the outcome of the import risk assessment.

Over time, we expect to see the industry consolidating further which will help to address surpluses. Any sustained rise in the value of the Australian dollar or high feed grain prices will see this consolidation process move more quickly.

The poultry industry is set to continue on a steady path over the next year. Chicken meat has overtaken beef as the most consumed animal protein per capita. The industry has continued to consolidate, and with cost structures contained relative to the returns, future stability is much more assured.

THE RECOVERY WE HAVE BEEN LOOKING FOR SEEMS TO BE EVENTUALLY UNDER WAY AS CONFIDENCE GRADUALLY BEGINS TO PICK UP

In the beef sector the drought seems to have had little impact on the breeding herd as operators moved to "drought-proof" their operations by expanding feed lots. The sector is currently buoyed as a result of the ban by North Asia on US beef due to the BSE discoveries in Canada and the US last year; and Asian demand for Australian beef following the greater recognition now being given to Australia's BSE rating and general disease-free status. The recovery we have been looking for for the past three to four months seems to be eventually under way as confidence gradually begins to pick up. The risk factors to a sustainable recovery are again the variable climatic conditions that still prevail in some parts of Australia, negative surprises on trade reform, currency volitility and weaker conditions on world markets. As always as we see our customers' positions stabilise and improve, we will see a much improved performance across our Australian feed business.

RIDLEY INC.

Our North American businesses also suffered a downturn over the course of the year but for very different reasons. In addition to the continued closure of the border between the US and Canada, the businesses had to also cope with various disease issues affecting the beef, swine and poultry sectors; the strongest and most volatile corn and soy bean prices seen for the last seven to eight years; and the rapid appreciation of the Canadian dollar against the US dollar earlier in the year. The combination of these events caused severe disruption to the normal terms of trade for many of our customers, added additional cost to our business and created a lack of confidence among customers that ultimately led to a slowdown and in some areas an absolute decline in sales volumes.

On 20 May 2003 the discovery of a lone case of BSE in Canada was followed by the US Department of Agriculture banning imports of all Canadian beef. A year later with no end to the crisis in sight, the cost to the Canadian cattle industry is in excess of C$2 billion. The cattle industry in Canada has had to make huge adjustments in slaughtering logistics and marketing over the year, as virtually all markets for Canadian beef were closed out. In the first few months after the discovery of BSE, slaughter volumes dropped by close to 50%. At the time of the discovery Canada was exporting more than 50% of its production in either live cattle or processed beef. The US was the dominant export market for Canadian beef, with live cattle and beef to the US accounting for in excess of 75% of this total. As the industry has contracted and repositioned itself, prices in Canada have gradually recovered since the border closed but are still sitting some 20 to 30% below pre-BSE levels.

The beef market in North America was given a further shock after the US Department of Agriculture announced on 23 December 2003 the first suspected case of BSE in the US. The diagnosis was positively confirmed on 25 December. By the end of January 2004, more than 50 countries had banned all imports of US beef. The impact on the US cattle and beef industry from this BSE discovery was in stark contrast to the Canadian experience. While prices dropped very briefly following the December announcement, the US live cattle market since then has been extremely strong. Steer and heifer slaughter rates had to pick up dramatically following the closure of the US/Canadian border simply to fill the void created by the discontinuation of live cattle and beef imports from Canada. In response to this, packers in the US pulled cattle forward thereby leaving them fewer days on feed and at lighter than normal slaughter weights. Some relaxation of US exports have only recently taken place, most notably to Indonesia and Mexico. Logic dictates that the decision to reopen the border will be based on science and health issues. However politics has inevitably crept into the decision-making process and despite intense negotiations, resolution of the issue has been slow.

The majority of our customers in North America and more specifically in the US, have also had to contend with unusually volatile and strong corn and soy bean prices as a result of lower than expected crops, largely weather-related, combined with record low stock-to-usage ratios. Corn and soy bean prices moved on through the year to trade at eight-year and record highs respectively. The situation was exacerbated by extremely large soy bean exports to China during the first six months of the US crop year, as well as by a sharp drop in South American soy bean production relative to expectations.

The outlook for these inputs still remains uncertain and at the time of writing prices are extremely volatile. With feed representing anywhere between 50 and 70% of the total variable cost of any animal, this obviously puts considerable pressure on our customers' economics.

While none of our customers were directly affected, the outbreak of avian influenza that circulated in Asia in late June and surfaced – albeit mostly in low pathogenic form – in Canada and the US later on in the year, did little to instil confidence in the animal sector as a whole. Cases of low pathogenic avian influenza were discovered in non-commercial flocks in Delaware, Maryland, New Jersey and Pennsylvania. These discoveries were followed by an outbreak of the high pathogenic strain in Texas.

In Asia this strain caused the loss of up to 200 million birds in late '03 and '04. While the low pathogenic strain is not uncommon in North America, it is the reaction of importers of US and Canadian poultry that has the potential to disrupt trade flows. In Canada in the province of British Columbia testing showed that 40 commercial facilities and 10 backyard flocks had a strain of the virus. This was followed by a massive depopulation of nearly 17 million birds to eradicate the disease. It is only in the last few months that moves have been made to repopulate flocks.

Our results were again affected by bad debt expense in Ridley Inc. A significant swine account that had been struggling to contain an outbreak of PRRS (a disease that reduces the productivity of sows) over the last 18 months, finally filed for protection under Chapter 11. The business has since been restructured and sold. Diseases of various types in swine are not uncommon. Production and profitability are usually affected for short periods of time but in most cases the disease is eradicated by slaughtering out the affected animals and repopulating with healthy ones. In this case, the outbreak of PRRS coincided with a prolonged period of below break-even prices for hogs which, combined with high levels of debt within the business, saw cash flows shrink pushing the business to constantly breach its bank covenants.

CHEETHAM SALT

Cheetham Salt, which has been used to displaying annualised earnings growth, could not avoid the effects of the drought that plagued Australia over the past year. Despite sales volumes in all other market segments being up on the previous year, profitability fell 11% as sales volumes into the stockfeed, hides and skins and casings sectors declined by a little over 22%. Earnings were also affected, but to a lesser extent, by the weakening of the US dollar that made exports into the South East Asian markets less competitive. Cheetham's underlying business remains sound and as the agriculture sector expands, earnings will rebound. In August 2003 Cheetham opened a branch office in Tokyo; in December 2003 an import licence had been granted; and by January 2004 agreements had been signed for the warehousing and distribution of wholesale and retail products. Our research analysis continues to support our view that we have the right products and relationships to make Cheetham Japan a significant contributor to the business. The division, supported by the Board, continues to put considerable resources into the area of salinity. Cheetham's technical expertise and understanding of the dynamics of the salt market will allow the division over time to play a vital role in helping a range of government entities in their goal of maintaining water quality in the Murray Darling Basin by further preventing land and river degradation.

FUTURE GROWTH

Subsequent to the end of the fiscal year, Ridley Inc. acquired the assets of the livestock feed supplement business of Sweetlix™ for US$16.7 million. This will make Ridley Inc. one of the largest manufacturers of free choice feed supplement blocks in North America. Sweetlix™ has three manufacturing facilities located in Montgomery, Alabama, Syracuse, Indiana, and Fort Worth, Texas. The acquisition provides Ridley with expanded manufacturing capabilities that will improve our flexibility and provide future capacity for growth.

Ridley Inc. now has the capacity to manufacture low moisture, pressed and poured blocks and bagged minerals for beef, dairy, equine and sheep. The addition of the Sweelix™ line of feed supplement blocks enhances Ridley's sales presence and distribution systems in the southern and eastern USA, and further strengthens our ability to fully use our extensive research facilities to develop and market free choice supplements. The Sweetlix™ brand name has been in existence for more than 40 years and has pioneered many livestock nutritional innovations. The company has developed several US Environmental Protection Agency (EPA) and Food and Drug Administration (FDA) approved products, which are proprietary to Sweetlix™ and were an important component of this transaction.

Further in fiscal 2004, Ridley Block Operations (RBO) extended its leadership with its continuing program of research and development and new product launches. The most significant introduction was the February 2004 launch of IONO-LYX B300, the first ever FDA-approved low moisture block with an ionophore. IONO-LYX B300 is a free choice medicated feed supplement for pasture cattle. This new product contains the ionophore Bovotec, which helps cattle use energy and protein sources more efficiently. This product is the culmination of more than a decade of research by the technical staff at RBO. Product formulation and approved claims are legally protected, giving the company a clear advantage over competitors.

Another positive issue this year for Ridley was the successful exit from Cotswold Swine Genetics. The significant losses associated with this business are behind us permanently; an added benefit is that our management team in North America can now fully devote themselves to the opportunities and challenges of running our feed businesses.

OUTLOOK

As mentioned earlier, the main issue we need to understand is to what extent were the events that affected our operations this year cyclical and to what extent were they structural; the implication being that if we are witnessing structural changes to some parts of our business we need to review the way we operate and adapt. Clearly our businesses will always be exposed to the seasonal vagaries of weather conditions. In some years this will work in our favour; in some years it will work against us. However in extreme conditions we are likely to either benefit substantially or, as we have witnessed this year in Australia – and to a much lesser extent in the US – see earnings contract.

In Australia, but perhaps to not such a severe extent, we have been through drought before. As always the livestock sector will survive, albeit for periods of time with lower actual numbers, but it *will* survive. The most likely impact will be to quicken the pace of consolidation within the key species groups. While consolidation shifts the balance between customer and supplier, typically, stronger and more permanent relationships emerge as larger customers focus on quality, nutritional excellence and knowledge transfer as the key inputs they look for from suppliers. We strongly feel that these three components are what Ridley AgriProducts does best. Having now achieved a lower cost base, we are expecting a substantial lift in returns from our Australian feed business over this coming year. We still have a range of issues we need to deal with, but we also see a significant range of opportunities that have recently emerged that we intend to grab hold of, which will allow us to better protect our earnings if we again encounter similar conditions to those seen last year.

The events in North America represent more of a challenge in terms of understanding what the outlook holds. Disease outbreaks are likely to be an ongoing part of the landscape in which we are dealing, grain prices will respond to increased supply and we expect prices over time to revert to their long term averages. The key issue we need to understand is at what time the authorities will allow the border to be opened between the US and Canada and to a lesser extent how the North Asian importers of beef will overcome their concerns about the testing of BSE in the US. At the time of writing, the US election looms large and it is unlikely that we will see any impetus on the border issue between now and the first quarter of 2005. While politics, to a degree, has taken the issue away from the relevant regulatory authorities, the possible consequences of a permanent closure would imply that common sense will prevail. Without resolution to the issue it is likely that the Canadian beef industry will continue to suffer negative returns. The ramifications on the US side of the border are for ongoing high prices leading to much lighter cows going to slaughter earlier, leaving again much less time for feeding, both of which will continue to undermine earnings.

For our existing business our focus for the coming year remains exactly the same as it has been for the past three years. We have very few reasons to believe our businesses are not capable of returning to levels of profitability seen in previous years. While we have some challenges, we continue to strive to provide shareholders with a satisfactory return, allocate capital prudently, tightly manage all the risks associated with the running of animal nutrition and salt businesses and, as always, communicate effectively with our shareholders.

To conclude, in a very testing environment both externally and internally, I would like to thank everyone within Ridley for their efforts last year and look forward to their continued support and enthusiasm in the coming year.

MATTHEW BICKFORD-SMITH MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

BOTH RIDLEY AGRIPRODUCTS AND CHEETHAM SALT ARE INTRINSICALLY ECO-FRIENDLY, WITH MORE THAN 99% OF THE RAW MATERIALS THEY USE BEING NATURAL OR BIOLOGICAL

Although all of Ridley's operations have taken measures to embrace sustainable practices, our Australian operations are the first to be subject to sustainability reporting and monitoring. This report focuses on our Australian businesses only. We will progressively develop targets and report on progress in other parts of our business.

Given the lack of any universally accepted definition of sustainability, Ridley has adopted the concept of "eco-efficiency" as proposed by the United Nations Conference on Trade and Development (2004). Our aim is to position Ridley – and encourage employees, customers and suppliers – to operate successfully while at the same time reducing our impact on the physical and operating environment. The benefits are many: increasing eco-efficiency can lead to increased shareholder value as a result of reduced injuries, less waste, more efficient use of energy and resources, better control of risk exposures and improved corporate citizenship.

To put our application of eco-efficiency principles into perspective, it is necessary to understand the nature of Ridley's Australian businesses. Both Ridley AgriProducts and Cheetham Salt are intrinsically eco-friendly, with more than 99% of the raw materials they use being natural or biological. Both produce food (so hygienic integrity is a key concern) and both are low organic and chemical waste producers. This means that they are low polluters.

SUSTAINABILITY REPORT

Ridley takes its environmental and social responsibilities seriously. Many of our production plants are located in or close to country towns. Though small in industrial terms, these plants represent an important economic presence in the areas they serve. Equally, we recognise that this places a responsibility on us to run our plants in a way consistent with community expectations, particularly in regard to potential impacts on people and the environment.

In 2001, Ridley embarked on a program of risk assessment and management across a wide range of its business areas. Following its successful implementation, the program was expanded the following year to increase the focus on environmental management. In 2003 it was expanded further to embrace the principles of sustainability. Therefore, our focus on sustainability is part of an overall program of risk assessment and minimisation. This program has guided the development of our sustainability agenda, which is in turn supported by relevant policies, procedures and measurement systems. Much of the work completed in 2003 was to establish our baselines and research options for further activity.

HEALTH AND SAFETY

Reduced injuries

Ridley places a high value on health and safety and encourages behaviours and implements processes that safeguard employees, contractors, visitors and the community from accidents and occupational illness. We support our high standards of health and safety by maintaining safety performance as a key component of our management performance measures.

Manual handling incidents, which account for 60% of all injuries, have been the subject of major focus in Ridley AgriProducts. A project has been implemented to comprehensively review all potential sources of injury, and to develop strategies and practices across the business to reduce risk.

Bag handling has been by far the most common cause of injury. Wherever practical, we are introducing automated and improved handling systems this year, reducing the need to double-handle materials and changing the way we order and receive raw materials. This program will continue next year. Other initiatives have included a falls-from-heights risk analysis across all Ridley AgriProducts sites and the installation of appropriate safety systems in stockfeed mills and on the delivery trucks of suppliers and customers. Initiatives like these are showing results although there is still some way to go before we achieve good levels of performance.

This year, Ridley AgriProducts achieved a 30% reduction in lost time injury frequency rate (LTIFR), which exceeded their performance goal of 20%. Next year, we are aiming for a further 30% reduction. LTIFR measures the number of injuries causing a full work shift to be lost per million hours worked.

By installing bagged product handling systems, Cheetham Salt has significantly reduced the amount of manual handling of packaged product. Whilst 50% of bagged product was being manually handled a few years ago, this has now been halved by automation and will reduce to less than 5% by the end of next year. This is having a positive effect on the risk of manual handling injury and, coupled with a greater focus on injury management at site level, has led to a reduction in LTIFR. By placing a greater focus on identifying and removing such key injury risk exposures, the LTIFR in Cheetham Salt has fallen from a high of 30 as at June 2002 dropping to 10 by June 2004.

RIDLEY'S ENVIRONMENT POLICY COMMITS THE BUSINESS TO DEVELOPING STANDARDS AND ACHIEVING TARGETS THAT EFFECTIVELY MANAGE OUR ENVIRONMENTAL RESPONSIBILITIES

Increased focus on internal and external assurance

In addition to undertaking detailed investigations of injuries, all AgriProducts and Cheetham Salt locations have been audited to identify areas where improvements can be made to reduce the risk of workplace injuries and illnesses. These audits are undertaken either by internal or external health and safety specialists.

The results of such audits are tracked through our Consolidated Risk Register. This logs all recommendations, action plans, key performance indicators and timeframes for activities to reduce risk.

Improving, understanding and changing culture

While we have made real progress, we recognise that simply reducing risks in workplaces is not enough to achieve excellence in occupational health and safety (OHS) performance. To that end, we have established several strategies to change workplace culture, improve OHS understanding and embed health and safety into the operational practices of the business.

An example of such a strategic approach is in the development of workbooks in our AgriProducts business. These define functions (such as receival, mill production and so on) and include the health and safety standards and requirements associated with each function. Our employees are trained and assessed in their knowledge of workbook safety, making job safety a measure of competency. This approach is supported by specific workplace procedures for health and safety. The minimum standard of knowledge required by employees is Australian Qualification Framework Certificate Level 2 in Food Processing.

Over the next year we will be extending our workbook training and certification program to include product receival, mill outloading, warehousing/delivery, maintenance and site and national office administration.

Cheetham Salt also maintains a network across the business to review health and safety systems, direction and performance and ensure that the OHS program continues to meet the needs of the business.

In 2003, we engaged external specialists to undertake a compliance review of our AgriProducts operations. The review has confirmed that our own internal assessments are identifying and addressing our compliance obligations. This initiative has been supported by the establishment of an intranet-based reference service, which allows all site managers to stay up-to-date on their requirements, and how to meet or exceed them.

THE ENVIRONMENT

Ridley's Environment Policy commits the business to developing standards and achieving targets that effectively manage our environmental responsibilities so we can meet or exceed the expectations of our shareholders, directors, employees, financiers, insurers and the communities in which we operate. To achieve these standards and targets, in 2002 Ridley engaged external environmental specialists to audit all locations so we could identify what we needed to do to conform with the requirements of the international standard for Environmental Management Systems (EMS), ISO 14001.

At the end of June 2004, 48% of all the work required to achieve EMS accreditation had been completed. This process has led to business performance improvements such as better environmental emission controls and monitoring systems, reduced dust and waste emissions and more efficient controls over handling of raw materials. It has also allowed us to ensure we are adequately prepared for unexpected events which may have environmental impacts by improving bunding systems and implementing spill-control measures. In addition, our compliance against local, state and national legislation has been reviewed and our status confirmed.

NATIONAL PACKAGING COVENANT

Cheetham Salt and Ridley AgriProducts became signatories to the National Packaging Covenant (NPC) in May 2002 and January 2003 respectively. The NPC aims to minimise the environmental impacts of consumer packaging waste throughout the entire life cycle of the packaging product, close the recycling loop, develop economically viable and sustainable recycling collection systems and ensure that the voluntary process continues. As an outcome of this initiative, Cheetham Salt has increased its focus on managing and reducing packaging waste and has modified its packaging materials. Approximately 45% (210,000 tonnes) of Cheetham's products are bagged and 90% of its packaging materials are recycled.

Other initiatives include better waste management through separation of packaging materials on sites, return and re use of transport packaging materials and the substitution of packaging materials for ones with a lower environmental impact (such as phasing out polypropylene bags and replacing them with polyethylene). A reduction in gauge of some of the packaging range will further reduce the materials used in packaging.

Ridley AgriProducts produces some 165,000 tonnes of packaged products each year comprising stockfeed, supplements, pet food and aqua feeds. This represents 12% of total annual production. All non-packaged products are transported in bulk by road tankers and delivered direct to customer feed silos. Our Packaged Products team has been working in co-operation with suppliers to improve packaging efficiency, reduce weight and improve the amount of packaging that can be recycled. One result of such work is the packaging materials used for supplement products that sit in paddocks until consumed. These products are now capable of being consumed with the product, thereby minimising packaging waste.

We have undertaken a complete review of the types and amounts of packaging used in the business, which provides a baseline for assessing progress on packaging material improvements. In conjunction with suppliers, we are currently reviewing our range of packaging to ensure we use environmentally friendly materials wherever we can. We have included packaging material assessments into our quality assurance product approval process for new products from suppliers.

WASTE MANAGEMENT AND RECYCLING

Wherever possible, we seek ways to eliminate waste or, where that is not possible, to ensure that we maximise our ability to recycle. Ridley AgriProducts has reviewed and improved its waste management and monitoring systems, which is delivering benefits such as less waste and better managed waste streams. A trial at two of our locations has shown that we can reduce the volume of waste per tonne of product by up to 33% through waste stream separation and improved waste management systems. AgriProducts is now looking to reduce waste elsewhere wherever possible, from the current 1.7% of waste by volume per tonne of product to 1.1%.

Cheetham Salt has been progressively expanding its waste management and recycling program. Current activities include collecting and recycling waste oil, cardboard and paper, scrap metal and other recyclables. These initiatives have led to very low levels of waste. The volume of waste is now 0.6% per tonne of product and a further 5% reduction is targeted for next year. Over the past year, Cheetham Salt has been more active in applying its expertise in salinity management and control. Cheetham currently produces salt from groundwater and sub-surface brines in the Murray Darling Basin and is in the process of assessing a large scale sustainable solution to further expand this activity. Subject to final feasibility and necessary government approvals, Cheetham is also well advanced in developing a project to expand its operations on Lake Tyrrell located in the Murray Darling Basin, Northern Victoria. These projects not only increase Cheetham's production capacity. They also go some way to reducing the problems associated with high levels of salinity in these areas. Further initiatives include the recycling of customers' waste salt through the development and implementation of technology for the recovery of salt from aluminium smelter slag recycling, establishment of recycling facilities for waste hide salt and production of salt from saline waste.

Energy use

Our salt fields use solar energy to evaporate water from salt ponds, saving energy of around 90kWhr per tonne of salt produced. The further processing of salt to the finished product is achieved through a combination of gas and electrical energy use.

Energy efficiencies have been targeted in those areas too. By improving the management of gas feed into driers, we have been able to reduce gas usage by 17.5% over the past year. Further planned upgrades to our gas drier at Bajool will lead to additional reductions in gas usage next year. A focus on improvements in electricity usage is underway with a target reduction of 2% over the next year.

In our AgriProducts business, the consumption of energy is directly related to pellet mill efficiencies, which vary with the size of the production run and type of feed made. To evaluate the potential for energy efficiencies, AgriProducts undertook an efficiency analysis at one of our larger mills. Though the study did not indicate that huge gains were immediately available, some improvement will indeed be possible. Strategies are in place to reduce electricity use per tonne by 5% over the next five years. We have reduced gas usage over the past year by approximately 4%.

SUPPLY CHAIN MANAGEMENT

We have established a supply chain re-engineering program across the Australian businesses to deliver improvements in customer service and efficiency. Significant work has been undertaken to improve processes for customer contact, sales and operations planning, raw materials purchasing, transport and warehouse management. This program will deliver benefits including better transport use, reduced product handling and operating efficiencies.

JOHN PEARCE GROUP RISK MANAGER

DESPITE LOWER EARNINGS, WE HAVE BEEN ABLE TO MAKE A FURTHER MEANINGFUL REDUCTION IN DEBT LEVELS AND DECLARE A DIVIDEND THAT IS UNCHANGED FROM LAST YEAR

Ridley's results for the year were characterised by weakened demand across all businesses due to post drought conditions in Australia and a difficult trading environment in North America. Despite the lower earnings, we have been able to make a further meaningful reduction in debt levels and have declared a dividend that is unchanged from last year. Our low level of gearing and the cash generative nature of our businesses gives us a margin of safety to withstand the cyclical downturn in earnings experienced in 2004.

CHIEF FINANCIAL OFFICER'S REVIEW

EARNINGS PERFORMANCE

Net profit for the year was $17.7 million after a significant item of $2.8 million. This was 43% down on the $31.3 million reported for the previous year.

Net profit from operations was $20.5 million, which was 45% lower than last year's performance.

	2004 $'000	2003 $'000
Sales revenue	**1,179,348**	1,410,888
EBIT	**47,278**	71,344
Less: Borrowing costs	**10,720**	13,046
Operating profit before tax	**36,558**	58,298
Less: Tax expense	**11,828**	14,616
Outside equity interests	**4,240**	6,449
Net profit from operations	**20,490**	37,233
Significant item – net	**(2,790)**	(5,935)
Net profit	**17,700**	31,298

EARNINGS BEFORE INTEREST AND TAX (EBIT)

Each of Ridley's major operating businesses suffered a reduction in earnings when compared to 2003. The worst hit was Ridley AgriProducts, which reported EBIT of $7.0 million, down 65% on the previous year. The division had benefited from increased drought-induced demand in 2003. In 2004 volume was down 7% reflecting reduced demand from both the dairy and beef cattle sectors. Herd numbers were down and producers, seeking to rebuild their balance sheets after the drought, took advantage of available natural pasture rather than using supplementary feeds. While bulk sales to the poultry and pig sectors increased marginally, the high fixed cost nature of the milling asset base meant that the reduced volume in other sectors had a significant impact on earnings.

Cheetham Salt's earnings of $19.6 million were 11% down on the $22.0 million earned in 2003. Sales to the agricultural sector – hides and skins, casings and stockfeed which represent approximately 20% of total sales – declined by 22% reflecting lower slaughter numbers and the downturn in the stockfeed sector following the drought. Sales to the food, industrial and other sectors were up 4%, partly offsetting the decline. The strong Australian dollar and high freight rates crimped export sales.

Earnings from US Feeds were down 34% compared to the previous year at $26.1 million ($39.4 million in 2003). In US dollars EBIT was US$18.2 million, down 18% on 2003 earnings of US$22.3 million. The stronger Australian dollar reduced 2004 earnings by $4 million on a comparative basis.

The results were impacted by reduced volume (down 9%) following the ending of US government drought assistance programs, which had boosted demand in 2003. Beef feed and low moisture blocks sales were impacted by substantially higher cattle prices which pulled forward live cattle sales. Sales into the swine sector were also sluggish as producers were impacted by high corn and meal prices for most of the year.

In Canada, EBIT of $7.2 million was 35% lower than last year's $11.1 million. In Canadian dollars EBIT was C$6.7 million, down 31% on 2003 earnings of C$9.7 million. Sales volumes were 5% lower than in 2003, due to difficult industry conditions in both the beef and pork sectors. The BSE situation devastated Canadian beef producers, and reduced feed sales as live cattle exports ceased following the closure of the US/Canadian border. The pork sector suffered from low pig prices and an unfavourable exchange rate which reduced producers' incomes.

The Cotswold Swine Genetics business in North America was progressively exited during the year. EBIT losses of $1.9 million were incurred compared to a loss of $9.7 million in 2003. Divestment is now essentially complete.

Unallocated costs, which include corporate office costs in Australia and North America, Board, listing and compliance costs together with Ridley's risk management and business development functions totalled $10.7 million in 2004 down from $11.7 million in 2003. The reduction was due to a lower headcount and substantially lower senior management bonus accruals, reflecting the poor earnings performance for the company.

THE CONTINUING FOCUS ON THE CONTROL OF CASH EXPENDITURES AND WORKING CAPITAL MANAGEMENT AIDED A FURTHER REDUCTION IN DEBT LEVELS OF $27 MILLION

INTEREST EXPENSE

Interest costs for the year were lower than in 2003 reflecting lower average debt levels. Interest expense for the year was $11.4 million, $2.9 million lower than last year, with borrowing costs for the year averaging 7.1%, the same as in 2003. Borrowing costs, net of interest income and bank fees, totalled $10.7 million compared to $13.1 million in 2003.

SIGNIFICANT ITEM

Ridley's 69% owned Canadian listed subsidiary, Ridley Inc., provided for its remaining exposure to a significant swine customer following a continuing outbreak of a swine disease which led to the customer's ultimate bankruptcy. A provision of $6.8 million (before tax and outside equity interests) was booked during the year. This had a net impact of $2.8 million after tax and outside equity interests in 2004. The significant item booked in 2003 represented the write down in the value of the assets of the Cotswold Swine Genetics business in North America which has now been divested.

DIVIDENDS

Ridley has announced fully franked dividend of 5.75 cents per share for the year. This is unchanged from last year. Looking forward, this year's lower earnings will result in decreased franking capacity in 2005.

INCOME TAX

Income tax expense for the year reduced in line with the lower earnings. Total income tax of $11.8 million averaged 32% of pre tax earnings compared to $14.6 million and 25% last year. 2003 included a one off benefit of $2.4 million due to the booking of prior period tax losses.

CASH FLOW

Despite the lower earnings for the year, the continuing focus on the control of cash expenditures and working capital management aided a further reduction in debt levels of $27.2 million. Of this, $26.2 million was actual cash repayments with a further $1.0 million due to favourable exchange rate movements as US and Canadian dollar denominated debt was translated into Australian dollars.

Working capital was reduced by $10.7 million during the year, partly due to lower grain costs compared to a year earlier but also reflecting the positive impact of strict credit procedures. Days sales of receivables outstanding at year end were 29 compared to 30 a year earlier. One day's sales represents approximately $4 million in revenue. Reductions in this measure translate into lower borrowings.

Capital expenditure including acquisitions increased compared to last year from $23.4 million to $26.7 million. However, this increase was more than offset by the proceeds from the sale of the Cotswold North American business and other assets which totalled $6.2 million.

BALANCE SHEET

Borrowings

Net debt levels at year-end were reduced from $150.6 million at June 2003 to $123.4 million this year.

	2004 $'000	2003 $'000
Gross bank and other debt	**135,002**	169,429
Less: Cash	**(11,563)**	(18,821)
Net debt	**123,439**	150,608

Gearing

Gearing fell to 33% compared to 41% at the end of last year.

	2004	2003
Total liabilities/Total tangible assets	**48.2%**	52.9%
Net debt/Shareholders' equity	**33.4%**	41.2%
Net debt/EBITDA	**1.7**	1.5
EBITDA/Net interest	**6.6**	7.6

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

Ridley Inc. customer loans

At June 2003 Ridley Inc. had a portfolio of loans and guarantees to key customers, which totalled a net $25.6 million. The provision of $6.8 million for the non-recovery of one of the loans (which was recorded as a significant item) and the ongoing focus to improve the quality and recoverability of these facilities led to a reduction of $10.2 million in the portfolio during the year. At June 2004, the net loans and guarantees advanced by Ridley Inc. totalled $15.4 million.

EXCHANGE RATE

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

		2004	2003
Weighted average	C$:A$	**.9292**	.8697
	US$:A$	**.6964**	.5651
Year end rates	C$:A$	**.9287**	.8989
	US$:A$	**.6890**	.6674

ISSUED CAPITAL MOVEMENTS

During the year, 2.9 million shares were issued for a consideration of $3.6 million under the Dividend Reinvestment Plan and the Incentive Option Plan.

FINANCIAL RISK MANAGEMENT

The Board of Directors, through management, seeks to minimise risk to our earnings and assets in the following ways:

- Interest Rate Risk: At 30 June 2004, approximately $125.6 million of gross debt was subject to fixed rates of interest for periods up to three years. The level of cover is reviewed with the aim of maintaining a spread of interest rate maturity periods.
- Currency Risk: Wherever possible we borrow in the currencies of the countries in which we operate. Exposure is thereby limited to the net asset investment in any particular country. Ridley has borrowings in Australian, US and Canadian dollars. Movements in currency, as they affect the translation of the overseas net assets, are transferred to the Foreign Currency Translation Reserve. Major transactional exposures are covered at the time a commitment is made or when the liability occurs.
- Commodity Risk: Ridley purchases a range of raw materials on a global and domestic basis. Approval levels and the forward purchasing of raw materials are monitored and restrictions placed on the length of forward purchases.

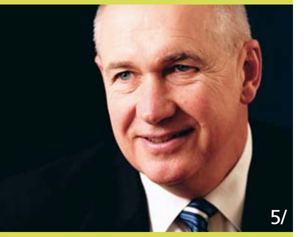
INSURANCE

Following three years of significant increases in insurance premium rates, Ridley has made a considerable effort to work with underwriters to identify issues that could be addressed in its operations or be better understood by insurers. A number of initiatives, such as detailing the use of pharmaceuticals in animal feed together with Ridley's recent good claims history have led to greater competition for Ridley's insurance program.

At the 30 June renewal, premiums were reduced by 17.6% for the coming year, with the level of cover and conditions unchanged or improved.

Ridley's continuing focus on risk management has helped contain insurance costs increases in recent years and obtain cover at more favourable levels for the coming year.

IAN WILTON CHIEF FINANCIAL OFFICER



BOARD OF DIRECTORS

1/ JOHN S KENIRY BSc PHD FTSE FRACI FAICD
Independent Chairman, Age 61
A director of the Company since 1990 and Chairman since March 1994, John formerly held executive positions with CSR and Goodman Fielder. He is presently Chairman of Sugar Australia and First Wine Fund and a director of NSW EPA, Gardiner Smith, Mikoh Corporation and a number of other corporations and statutory bodies. He is the immediate past President of the Australian Chamber of Commerce and Industry.

2/ DONALD G McGAUCHIE AO
Independent Deputy Chairman, Age 54
A director since 1998, Donald is a Partner of C & E McGauchie, "Terrick West Estate" and Chairman of Telstra Ltd. Mr McGauchie is a director of a number of listed and unlisted entities including: The Reserve Bank of Australia, National Foods Ltd, James Hardie Industries N.V. and Nufarm Ltd.

3/ MATTHEW P BICKFORD-SMITH
Chief Executive Officer and Managing Director, Age 44
Matthew joined Ridley Corporation in November 2000. His previous responsibilities included overseeing the Man Group's interests in the Australian refined sugar industry, managing the Group's sugar business risk within the Asian region and working in soft commodities, particularly in proprietary trading, structured financing and marketing.

4/ ELIZABETH B BRYAN AM BA MA (Econ) FAICD
Independent Non-Executive Director, Age 57
A director since 2001, Elizabeth has more than 20 years executive experience in the financial services industry and on the boards of companies and statutory bodies. She is a director of Caltex Australia Limited, UniSuper Limited, Australasian Medical Insurance Limited and St Hilliers Holdings Pty Limited.

5/ RICHARD J LEE BEng (Chem) (Hons) MA (Oxon) FAICD
Independent Non-Executive Director, Age 54
A director since 2001, Richard was formerly Chief Executive of NM Rothschild Australia Group and prior to that spent 16 years in CSR's sugar division. He is Chairman of Salmat and Inteq, a director of SEES, and a member of Graincorp's risk management committee. He is also a member of the NSW Council of the Australian Institute of Company Directors.

6/ ROBERT J LOTZE FCA MAICD
Independent Non-Executive Director, Age 63
A director since 1998, Robert is a former partner of Coopers & Lybrand and has a background in accounting, auditing, financial analysis and corporate governance. He is Chairman of the audit committee and a policy committee member of the Ridley Superannuation Plan.

7/ ANDREW L VIZARD BVSc (Hons) MPVM
Independent Non-Executive Director, Age 46
A director since 2001, Andrew is a senior consultant and former Director of the Mackinnon Project at the University of Melbourne. He is Chairman of Phosphagenics Ltd, a board member of the Zoological Parks and Gardens of Victoria, Animal Health Australia Ltd, Australian Sheep Industry CRC, Australian Poultry CRC and PrimeSafe, the statutory authority responsible for administering the Victorian Meat Industry Act and the Victorian Seafood Act. He also sits on scientific advisory boards for The Hermon Slade Foundations and is a trustee of the Australian Wool Education Trust.

CORPORATE GOVERNANCE

Ridley Corporation and the Board are committed to achieving the highest standards of corporate governance. An extensive review of Ridley's corporate governance framework was completed in 2003 following the release of the Australian Stock Exchange (ASX) Corporate Governance Council recommendations. Ridley's corporate governance framework was largely consistent with the recommendations, however, as a result of the review and other governance developments some changes have been made.

A description of the major corporate governance practices is set out below. Unless otherwise stated, all these practices were in place for the entire year.

BOARD RESPONSIBILITIES

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, 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, Remuneration Committee and Risk Review Committee to assist in the execution of its responsibilities. The roles of all Board committees are documented in a Corporate Policy which is approved by the Board of Directors. The Board has also established a framework for the management of the Company including a system of internal control, a business risk management process and the establishment of appropriate ethical standards.

The Board charter is available on the Company's website www.ridley.com.au

COMPOSITION OF THE BOARD

The names, profiles and qualifications and experience of the directors in office at the date of this statement are set out on page 17.

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 the only non-independent director is the Managing Director

The composition of the Board is continually under review by all directors to ensure that the Board has the appropriate mix of expertise and experience. The Board does not have a formal nominations committee as it considers it is sufficiently small for the whole Board to consider director nominations, therefore, when a vacancy exists, through whatever cause, or where it is considered that the Board would benefit from the services of a new director with particular skills, directors are asked to nominate suitable candidates with the appropriate expertise and experience with advice from an external consultant if necessary. Potential candidates are reviewed by the Board.

The Board then appoints the most suitable candidate who must stand for election at the next general meeting of shareholders.

The Constitution of the Company requires one third of the directors, with the exception of the Managing Director, to retire from office at the AGM each year. Retiring directors are eligible for re-election.

The Board undertakes an evaluation of itself that compares the performance of the Board and committees against the requirements of their charters. The evaluation process is conducted by the Chairman.

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 AGM in 2003. Non-executive directors are not entitled to share options, 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. Benefits accrued to 31 October 2003 totalled $456,000. Directors' entitlements will be paid when they retire. Details of the remuneration of directors during the year are set out in note 37 of the financial 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 26).

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

INDEPENDENT PROFESSIONAL ADVICE

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

REMUNERATION COMMITTEE

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

The Remuneration Committee meets twice a year and as required.

The members of the Remuneration Committee during the year were:

J S Keniry Independent Chairman

D G McGauchie Independent Deputy Chairman

M P Bickford-Smith Managing Director

Details of the Remuneration Committee members' experience and technical expertise are set out in the directors' biographies on page 17.

The Remuneration Committee charter is available on the Company's website www.ridley.com.au

AUDIT COMMITTEE

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

The committee makes recommendations to the Board on the appointment and remuneration of the external auditor including an annual review of its work and performance. The current auditor of the Company is PricewaterhouseCoopers. Details of the amounts paid for audit and other services are set out in note 34 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 at least annually without the presence of management. The committee reviews the level of non-audit services provided by the external auditor and ensures it does not adversely impact on the 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 also responsible for the internal audit program of the Company, which is carried out by Ernst & Young in Australia and is totally independent of the external audit function though it is designed to complement it. The committee sets and agrees the internal audit program and receives and reviews all internal audit reports and meets with the internal auditor twice a year.

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

The members of the Audit Committee during the year were:

R J Lotze Independent Director – Chairman

E B Bryan Independent Director

R J Lee Independent Director

Details of the Audit Committee members' experience and technical expertise are set out in the directors' biographies on page 17.

The Audit Committee charter is available on the Company's website www.ridley.com.au

RISK REVIEW COMMITTEE

In April 2004 the Risk Review 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. The Committee meets quarterly and as required.

The key responsibilities of the Risk Review Committee are to:

- Ensure major business risks are identified and managed appropriately
- Review and recommend for approval the annual risk management plan
- Enhance the understanding and management of risk in Ridley

The members of the Risk Review Committee during the year were:

A L Vizard Independent Director – Chairman

M P Bickford-Smith Managing Director

I Wilton Chief Financial Officer

RISK MANAGEMENT

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

THE ENVIRONMENT

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

DIRECTORS' INDEMNITY

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

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

ETHICAL STANDARDS

In pursuance of the promotion of high standards of Corporate Governance, the Company has adopted various internal standards and policies, which extend beyond requirements prescribed by law and include additional disclosure of interests by directors and guidelines relating to the dealing in securities by directors and managers. The Company also has in place codes of conduct for directors and employees.

The Code of Conduct for Directors reflects the standards of behaviour and professionalism required to maintain confidence in the Group's integrity. The Code requires the disclosure of conflicts of interests and if possible their elimination. If this is not possible, directors are required to abstain from participation 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. Breaches of the Code are required to be reported to the Board or a sub-committee of it. The Code of Conduct for Employees is being updated to reflect current corporate governance standards.

SECURITIES TRADING

All directors and officers are prohibited from buying or selling securities in the Company from the last day in each financial year and half year until two days after the release to the ASX of the announcement by the Company of its full year and half year results and anytime the individual is in possession of price sensitive information.

CONTINUOUS DISCLOSURE AND SHAREHOLDER COMMUNICATION

Ridley makes timely and balanced disclosures of all material matters regarding the Company. All price sensitive information disclosed to the ASX is posted on the Company's website 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.

All shareholders receive a copy, unless requested otherwise, of the Company's annual and half year reports as well as the Chairman's address at the AGM. The website contains the past four years' annual reports and press releases back to 1997.

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

REMUNERATION REPORT

The objective of Ridley's remuneration structure is to ensure reward for performance is competitive and appropriate for results delivered. The structure aligns reward with the achievement of strategic objectives and the creation of value for shareholders. Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the diverse operations and achieve strategic objectives. Remuneration is reviewed annually.

For executives the remuneration structure comprises fixed annual remuneration and variable long and short term incentives.

Fixed annual remuneration consists of a base salary package for Australian executives which may be paid as cash salary, superannuation and fringe benefits as agreed. North American executives' fixed annual remuneration comprises annual salary, retirement entitlements and fringe benefits.

Short term variable remuneration is payable depending on Company and business unit performance and the executives' performance based on pre-determined criteria.

Long term variable remuneration in Australia is by way of share options issued under the Ridley Corporation Incentive Option Plan. The exercise price of options issued since February 2002 is the weighted average price over the five trading days on the ASX prior to the date of grant increased by 5% annual compound growth at the second, third and fourth anniversary of the date of issue. The movement in share price constitutes the performance criteria for these options. North American executives receive long term variable remuneration under the Ridley Inc. Long Term Incentive Program. Eligible executives are entitled to bonuses ranging from 11% to 21.25% of base salary provided Ridley Inc. meets its performance target based on return on funds employed for each fiscal year for a three or four period (Program Cycle). Executives will be eligible to receive payment in the fiscal quarter following the end of the Program Cycle provided the executive has remained an employee.

Under the Ridley Employee Share Scheme shares are issued to Australian employees at a discount of up to 50% of the market price financed by an interest free loan. The maximum discount is $1,000 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 Board.

In addition to the above, Australian directors and executives are encouraged to purchase shares under the Employee Share Acquisition Plan by salary sacrifice arrangements. Taxation benefits are available to participants if shares purchased under this plan are held for 10 years.

Further details of employee benefits and directors' and executives' remuneration are set out in notes 35 and 37 of the financial report.

CORPORATE REPORTING

The Chief Executive Officer 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.

– 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.

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2004

The directors submit the statements of financial position at 30 June 2004, statements of financial performance and statements of cash flows for the year ended on that date for the Company and the consolidated entity and report as follows:

1. DIRECTORS

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

J S Keniry

M P Bickford-Smith

E B Bryan

R J Lee

R J Lotze

D G McGauchie

A L Vizard

2. PRINCIPAL ACTIVITIES

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

3. RESULTS

	2004 $'000	2003 $'000
Profit from ordinary activities before significant items and income tax	**36,558**	58,298
Income tax	**11,828**	14,616
Operating profit of the consolidated entity before significant items	**24,730**	43,682
Profit attributable to outside equity interests	**4,240**	6,449
Profit attributable to members of Ridley Corporation Limited before significant items	**20,490**	37,233
Significant items net of tax and outside equity interests	**(2,790)**	(5,935)
Profit attributable to members of Ridley Corporation Limited	**17,700**	31,298

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

A review of:

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

ii the results of those operations; and

iii likely developments

are set out on pages 2 to 16 in the Annual Report.

5. DIVIDENDS

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

i Interim dividend, fully franked at 30% (2003: 30%), of 2.50 cents (2003: 2.50 cents) per fully paid ordinary share, totalling $6,690,000 (2003: $6,656,000) was paid on 6 April 2004.

ii A final dividend, fully franked at 30%, of 3.25 cents (2003: 3.25 cents) per fully paid ordinary share, totalling $8,764,000 (2003: $8,670,000) has been declared by directors payable on 27 October 2004.

6. ENVIRONMENTAL REGULATION

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

In accordance with its environmental procedures Ridley monitors environmental compliance of all of its operations on an ongoing basis.

7. DIRECTORS' AND EXECUTIVES' REMUNERATION

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

Executive remuneration and other terms of employment are reviewed annually by the committee having regard to performance against goals set at the start of the year, relevant comparative information and independent expert advice. For Australian executives, remuneration consists of a base salary package and performance related bonuses. North American executives' remuneration consists of a base salary, retirement entitlements, performance related bonuses and fringe benefits. Executives are also eligible to participate in the Company's option and employee share schemes.

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

Remuneration of non-executive directors is determined by the Board within the maximum amount approved by the shareholders from time to time. Non-executive directors are also entitled to retirement benefits as set out in the constitution of the Company. No additional benefits will accrue from 31 October 2003.

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

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

NAME	DIRECTORS' FEES AND BASE SALARY PACKAGE $	BONUS $	SUPERANNUATION $	MOVEMENTS IN RETIREMENT AND LEAVE PROVISIONS* $	OPTIONS $	TOTAL $
DIRECTORS OF RIDLEY CORPORATION LIMITED						
J S KENIRY Chairman	149,370	–	9,561	4,513	–	163,444
M P BICKFORD-SMITH Managing Director	529,935	60,000	–	38,585	159,736	788,256
E B BRYAN	67,871	–	347	15,550	–	83,768
R J LEE	62,586	–	5,632	15,550	–	83,768
R J LOTZE	68,711	–	6,184	4,913	–	79,808
D G McGAUCHIE	89,564	–	8,061	6,892	–	104,517
A L VIZARD	62,586	–	5,632	13,269	–	81,487

Shares and options held by the directors are disclosed in note 37 of the Annual Report
* Movement in retirement allowance (frozen as at 31 October 2003), annual leave and long service leave provisions

NAME	BASE SALARY PACKAGE $	BONUS $	OTHER BENEFITS $	MOVEMENTS IN LEAVE PROVISIONS** $	OPTIONS $	TOTAL $
OTHER EXECUTIVES OF RIDLEY CORPORATION LIMITED						
I WILTON Chief Financial Officer	395,715	59,357	999	17,358	87,105	560,534
A D MURDOCH CEO Ridley AgriProducts	375,000	63,750	999	34,866	47,008	521,623
W J POYNTON CEO Cheetham Salt	375,900	26,313	999	24,901	77,549	505,662
C J PRIESTLEY Former Company Secretary	208,592	–	251,309*	21,351	–	481,252
M D MACKAY Business Development Manager	219,973	75,000	999	15,193	52,373	363,538

* Includes severance payment
** Movement in annual and long service leave provisions

NAME	BASE SALARY PACKAGE $	BONUS $	PENSION PLAN $	OTHER BENEFITS $	MOVEMENT IN LEAVE BALANCES** $	OPTIONS $	TOTAL
OTHER EXECUTIVES OF THE CONSOLIDATED ENTITY							
R B GALLAWAY President and Chief Executive Officer Ridley Inc.	466,425	93,284	35,080	31,257	–	–	626,046
I WILTON Chief Financial Officer Ridley Corporation Limited	395,715	59,357	–	999	17,358	87,105	560,534
A D MURDOCH CEO Ridley AgriProducts	375,000	63,750	–	999	34,866	47,008	521,623
W J POYNTON CEO Cheetham Salt	375,900	26,313	–	999	24,901	77,549	505,662
C J PRIESTLEY Former Company Secretary Ridley Corporation Limited	208,592	–	–	251,309*	21,351	–	481,252

* Includes severance payment
** Movement in annual and long service leave provisions

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

The amounts disclosed above for remuneration relating to options are the assessed fair values of options granted to directors and executives, amortised over the vesting period. Fair values have been assessed using the Black-Scholes option pricing model, which is an accepted method for valuing options. The calculation was performed by a third party. Factors taken into account by the Black-Scholes option pricing model include the exercise price, the term of the option, the current price and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. Further details on the options are set out in note 35 and note 37 of the financial report.

SHARE OPTIONS GRANTED TO DIRECTORS AND MOST HIGHLY REMUNERATED OFFICERS

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

	GRANT DATE	EXERCISE PRICE $	NUMBER
OPTIONS IN RIDLEY CORPORATION LIMITED			
Directors			
M P BICKFORD-SMITH Managing Director	27 October 2003	1.61avg	500,000
Executives			
I WILTON Chief Financial Officer Ridley Corporation Limited	12 January 2004	1.43avg	400,000
A D MURDOCH CEO Ridley AgriProducts	12 January 2004	1.43avg	350,000
W J POYNTON CEO Cheetham Salt	12 January 2004	1.43avg	200,000
M D MACKAY Business Development Manager Ridley Corporation Limited	12 January 2004	1.43avg	250,000

8. SHARE OPTIONS

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

	NUMBER	EXPIRY DATE
Ridley Corporation Limited – Incentive Option Plan	9,650,000	Various
Ridley Inc. – Stock Option Plan	429,100	Various

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

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

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

The exercise price of options issued prior to February 2002 is the weighted average price over the five trading days on the ASX prior to the date of grant. The performance criteria for these options requires an average return on shareholders' funds of 10% over the two year period ending 30 June following the date of grant. In addition, the rate of growth of the Ridley Accumulation Index from the date of grant of the options to the first date of exercise must equal or exceed the Accumulation Index for the same period of the All Industrials (less Banks and Financial Institutions).

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

Details of options outstanding and shares issued during the year are set out in notes 35 and 37 of the financial report.

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

9. INFORMATION ON DIRECTORS

Particulars of shares and options held by directors in the Company together with a profile of the directors are set out on page 17 and note 37 in the financial report.

10. MEETINGS OF DIRECTORS

	BOARD		AUDIT COMMITTEE		REMUNERATION COMMITTEE		SPECIAL SUB-COMMITTEE		RISK REVIEW COMMITTEE	
	MEETINGS HELD WHILE A DIRECTOR	MEETINGS ATTENDED	MEETINGS HELD WHILE A MEMBER	MEETINGS ATTENDED	MEETINGS HELD WHILE A MEMBER	MEETINGS ATTENDED	MEETINGS HELD WHILE A MEMBER	MEETINGS ATTENDED	MEETINGS HELD WHILE A DIRECTOR	MEETINGS ATTENDED
J S KENIRY	12	12	–	–	2	2	1	1	–	–
M P BICKFORD-SMITH	12	12	–	–	2	2	1	1	2	2
E B BRYAN	12	10	4	4	–	–	–	–	–	–
R J LEE	12	11	4	4	–	–	–	–	–	–
R J LOTZE	12	11	4	4	–	–	–	–	–	–
D G McGAUCHIE	12	10	–	–	2	2	–	–	–	–
A L VIZARD	12	11	–	–	–	–	–	–	2	2

11. POST BALANCE DATE EVENTS

The business and assets of Sweetlix LLC, a livestock feed supplement business, were acquired for US$16.7 million on 30 July 2004. The fair value allocation has not been completed. Tangible assets will be more than 65% of the purchase price. No other matters or circumstances have arisen since 30 June 2004 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.

12. INSURANCE

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

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

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

During the year the Company paid a premium in respect of such insurance covering the following directors and secretaries of Ridley Corporation Limited: J S Keniry, M P Bickford-Smith, E B Bryan, R J Lee, R J Lotze, D G McGauchie, A L Vizard, G P Watts and C J Priestley.

13. 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.

14. AUDITOR

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

Signed at Sydney this 30th day of August 2004 in accordance with a resolution of the directors.

J S KENIRY DIRECTOR

R J LOTZE DIRECTOR

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2004

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STATEMENTS OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2004

	NOTES	CONSOLIDATED 2004 $'000	CONSOLIDATED 2003 $'000	PARENT ENTITY 2004 $'000	PARENT ENTITY 2003 $'000
Revenues from sale of goods	2	**1,179,348**	1,410,888	**–**	–
Cost of sales		**1,013,001**	1,198,080	**–**	–
GROSS PROFIT		**166,347**	212,808	**–**	–
Other revenues from ordinary activities	2	**8,714**	7,605	**31,389**	31,596
Other expenses from ordinary activities					
Selling and distribution		**(54,769)**	(62,316)		–
Administration		**(61,379)**	(71,967)	**(7,977)**	(6,558)
Borrowing costs		**(12,327)**	(16,022)	**(6,440)**	(7,749)
Other		**(21,989)**	(27,835)	**(145)**	–
Share of net profits of associates	45	**5,208**	4,677	**–**	–
PROFIT FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE		**29,805**	46,950	**16,827**	17,289
Income tax expense	6	**9,093**	11,698	**1,986**	1,636
PROFIT FROM ORDINARY ACTIVITIES AFTER INCOME TAX		**20,712**	35,252	**14,841**	15,653
Net profit attributable to outside equity interest		**3,012**	3,954	**–**	–
NET PROFIT AFTER INCOME TAX ATTRIBUTABLE TO MEMBERS OF RIDLEY CORPORATION LIMITED		**17,700**	31,298	**14,841**	15,653
Net increase/(decrease) in asset revaluation reserve	27	**(464)**	4,744	**–**	(128)
Net exchange differences on translation of financial reports of foreign controlled entities	27	**(3,461)**	(15,559)	**–**	–
TOTAL REVENUES, EXPENSES AND VALUATION ADJUSTMENTS ATTRIBUTABLE TO MEMBERS OF RIDLEY CORPORATION LIMITED RECOGNISED DIRECTLY IN EQUITY		**(3,925)**	(10,815)	**–**	(128)
TOTAL CHANGES IN EQUITY ATTRIBUTABLE TO MEMBERS OF RIDLEY CORPORATION LIMITED OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH THE OWNERS AS OWNERS	30	**13,775**	20,483	**14,841**	15,525
Basic earnings per share	42	**6.6c**	11.8c		
Diluted earnings per share	42	**6.6c**	11.7c		

The above statements of financial performance should be read in conjunction with the accompanying notes

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2004

		CONSOLIDATED		PARENT ENTITY	
	NOTES	**2004 $'000**	2003 $'000	**2004 $'000**	2003 $'000
CURRENT ASSETS					
Cash	39(ii)	**11,563**	18,821	**2,030**	2,265
Receivables	8	**103,150**	119,773	**1,456**	1
Inventories	9	**105,206**	105,004	**–**	–
Livestock	10	**947**	2,452	**–**	–
Other	11	**4,074**	3,200	**91**	90
TOTAL CURRENT ASSETS		**224,940**	249,250	**3,577**	2,356
NON-CURRENT ASSETS					
Receivables	12	**8,980**	15,254	**187,847**	193,434
Investments accounted for using the equity method	45	**44,722**	45,625	**–**	–
Other financial assets	13	**204**	465	**108,453**	108,453
Property, plant and equipment	14	**320,357**	322,803	**4,428**	4,624
Intangible assets	15	**50,400**	55,049	**–**	–
Deferred tax assets	16	**3,993**	10,510	**–**	742
Other	17	**3,894**	3,819	**1,211**	1,394
TOTAL NON-CURRENT ASSETS		**432,550**	453,525	**301,939**	308,647
TOTAL ASSETS		**657,490**	702,775	**305,516**	311,003
CURRENT LIABILITIES					
Payables	18	**111,458**	117,109	**815**	1,268
Interest bearing liabilities	19	**20,620**	17,597	**–**	–
Current tax liabilities	20	**1,815**	3,828	**–**	1,129
Provisions	21	**8,035**	8,741	**502**	444
TOTAL CURRENT LIABILITIES		**141,928**	147,275	**1,317**	2,841
NON-CURRENT LIABILITIES					
Payables	22	**484**	394	**484**	394
Interest bearing liabilities	23	**114,382**	151,832	**75,000**	85,000
Deferred tax liabilities	24	**21,932**	27,988	**3,242**	–
Provisions	25	**10,142**	10,068	**259**	242
TOTAL NON-CURRENT LIABILITIES		**146,940**	190,282	**78,985**	85,636
TOTAL LIABILITIES		**288,868**	337,557	**80,302**	88,477
NET ASSETS		**368,622**	365,218	**225,214**	222,526
EQUITY					
Parent entity interest					
Contributed equity	26	**197,341**	194,134	**197,341**	194,134
Reserves	27	**85,165**	89,090	**13,923**	13,923
Retained profits	28	**36,543**	34,420	**13,950**	14,469
TOTAL PARENT ENTITY INTEREST		**319,049**	317,644	**225,214**	222,526
Outside equity interests in controlled entities	29	**49,573**	47,574	**–**	–
TOTAL EQUITY	30	**368,622**	365,218	**225,214**	222,526

The above statements of financial position should be read in conjunction with the accompanying notes

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2004

	CONSOLIDATED		PARENT ENTITY	
	2004 $'000	2003 $'000	**2004 $'000**	2003 $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	**1,241,432**	1,500,546	**5,750**	5,702
Payments to suppliers and employees	**(1,176,215)**	(1,412,472)	**(7,001)**	(7,140)
Dividends received	**6,333**	5,542	**10,000**	11,645
Interest received	**1,597**	3,082	**15,500**	14,249
Interest and other costs of finance paid	**(11,673)**	(14,941)	**(6,084)**	(6,990)
Income taxes paid	**(5,372)**	(19,009)	**(1,589)**	(365)
NET CASH INFLOW FROM OPERATING ACTIVITIES (NOTE 39(i))	**56,102**	62,748	**16,576**	17,101
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for acquisition of businesses and controlled entities net of cash acquired (note 43)	**(6,811)**	(3,602)	**–**	–
Proceeds from sale of business (note 5)	**3,337**	–	**–**	–
Payments for property, plant and equipment	**(19,902)**	(19,826)	**(197)**	(76)
Deferred expenditure	**(1,263)**	–	**(193)**	–
Proceeds from sale of non-current assets	**2,897**	1,175	**131**	–
Repayment of customer loans	**1,378**	1,353	**–**	–
Loans to controlled entities	**–**	–	**5,824**	11,184
Purchase additional shares in controlled entity	**–**	(2,061)	**–**	(2,061)
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	**(20,364)**	(22,961)	**5,565**	9,047
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issue of shares:				
Employee options exercised	**369**	–	**369**	–
Ridley Inc. employee options exercised	**491**	2,086	**–**	–
Shares repurchased	**(818)**	–	**(818)**	–
Proceeds from borrowings	**38,647**	70,227	**19,000**	39,000
Repayment of borrowings	**(73,362)**	(58,439)	**(29,000)**	(8,000)
Dividends paid – parent entity	**(12,031)**	(11,874)	**(12,031)**	(11,874)
Employee share scheme loan repayments	**104**	–	**104**	–
Redemption of convertible notes	**–**	(41,798)	**–**	(41,798)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES	**(46,600)**	(39,798)	**(22,376)**	(22,672)
NET INCREASE/(DECREASE) IN CASH HELD	**(10,862)**	(11)	**(235)**	3,476
Cash at the beginning of the financial year	**18,821**	19,056	**2,265**	(1,211)
Effects of exchange rate variations on cash	**(59)**	(224)	**–**	–
CASH AT THE END OF THE FINANCIAL YEAR (NOTE 39(ii))	**7,900**	18,821	**2,030**	2,265

NON-CASH FINANCING AND INVESTING ACTIVITIES (NOTE 40)

The above statements of cash flows should be read in conjunction with the accompanying notes

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

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

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Ridley Corporation Limited ("Company" or "parent entity") as at 30 June 2004 and the results of all controlled entities for the year then ended. Ridley Corporation Limited and its controlled entities together are referred to in this financial report as the consolidated entity. The effects of all transactions between entities are eliminated in full. Outside equity interests in the results and equity of controlled entities are shown separately in the consolidated statements of financial performance and statements of financial position respectively. Where control of a controlled entity is obtained during a financial year, its results are included in the consolidated statements of financial performance from the date on which control commences. Where control of a controlled entity ceases during a financial year its results are included for that part of the year during which control existed.

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

DEPRECIATION

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

The expected useful lives are as follows:

Buildings	40 years
Plant and Equipment	3 to 30 years

Where items of plant and equipment have separately identifiable components, which are subject to regular replacement, those components are assigned useful lives distinct from the item of plant and equipment to which they relate.

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

GOODWILL

Goodwill is amortised using the straight-line method over periods during which future benefits are expected to arise. The period of amortisation is principally 20 years.

DEFERRED EXPENDITURE

Costs incurred in establishing finance facilities are deferred to future periods to the extent that future benefits are expected to arise. Deferred costs are amortised on a straight-line basis over the period of the expected benefit being not more than six years.

RESEARCH AND DEVELOPMENT EXPENDITURE

Research and development costs are charged to expense as incurred, unless they are expected beyond all reasonable doubt to be recoverable.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INVENTORIES

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

LIVESTOCK

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

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

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 year but not distributed at balance date.

INCOME TAX

Tax effect accounting procedures are followed whereby the income tax expense in the statement of financial performance is matched with the accounting profit after allowing for permanent differences. Income tax on net cumulative timing differences is set aside to the future tax benefit or the deferred income tax liability accounts at the rates which are expected to apply when those timing differences reverse. The future tax benefit relating to tax losses is not carried forward as an asset unless the benefit is virtually certain of realisation. Income tax is accounted for using the 1989 version of AASB 1020 *Income Taxes*.

TAX CONSOLIDATION LEGISLATION

Ridley Corporation Limited and its wholly-owned Australian controlled entities have decided to implement the tax consolidation legislation as of 1 July 2003.

As a consequence, Ridley Corporation Limited, as the head entity in the tax consolidated group, recognises current and deferred tax amounts relating to transactions, events and balances of the wholly-owned Australian controlled entities in this group as if those transactions, events and balances were its own, in addition to the current and deferred tax amounts arising in relation to its own transactions, events and balances. Amounts receivable or payable under an accounting tax sharing agreement with the tax consolidated entities are recognised separately as tax-related amounts receivable or payable. Expenses and revenues arising under the tax sharing agreement are recognised as a component of income tax expense (revenue).

The deferred tax balances recognised by the parent entity in relation to wholly-owned entities joining the tax consolidated group are measured based on their carrying amounts at the level of the tax consolidated group before the implementation of the tax consolidation regime.

FOREIGN CURRENCY TRANSLATION

i Transactions

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

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FOREIGN CURRENCY TRANSLATION (CONTINUED)

ii Foreign controlled entities

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

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

	2004	2003
Australian $1 equals		
Statements of financial position (year end rate)		
Canadian dollars	**0.9287**	0.8989
United States dollars	**0.6890**	0.6674
Statements of financial performance (average rate for the year)		
Canadian dollars	**0.9292**	0.8697
United States dollars	**0.6964**	0.5651

DERIVATIVES

Derivative financial instruments that are designated as hedges and are effective as hedges of underlying exposures are accounted for on the same basis as the underlying exposure. The net amount receivable or payable under hedging gains/losses relating to hedges of specific purchase/sale commitments are deferred in the statements of financial position and recognised in the measurement of the hedged transactions.

INVESTMENTS

i Listed and unlisted

Interests in listed and unlisted securities in the consolidated financial statements are brought to account at cost, less a provision where the cost exceeds the recoverable amount. Dividend income is recognised in the statements of financial performance when declared.

ii Controlled entities and associates

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

EMPLOYEE ENTITLEMENTS

i Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in accounts payable, accruals and provision 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.

ii 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 (i) 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. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

EMPLOYEE ENTITLEMENTS (CONTINUED)

iii Superannuation funds

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

If a liability in respect of defined benefit superannuation exists, it is recognised in the provision for employee benefits, and is measured as the deficiency between the present value of employees' vested benefits at the reporting date and the net market value of the superannuation fund's assets at that date. If a surplus occurs this asset is not recognised in the financial statements. The present value of accrued benefits is based on expected future payments which arise from membership of the fund to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on national government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows. The amount charged to the statements of financial performance in respect of superannuation represents the contributions made by the consolidated entity to the superannuation fund, adjusted by the movement in the liability.

iv Pension plans

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

v Termination benefits

Liabilities for termination benefits, not in connection with the acquisition of an entity or operation, are recognised when a detailed plan for the terminations have been developed and a valid expectation has been raised in those employees affected that the terminations will be carried out. The liabilities for termination benefits are recognised in other creditors unless the amount or timing of the payments is uncertain, in which case they are recognised as provisions.

Liabilities for termination benefits expected to be settled within 12 months are measured at the amounts expected to be paid when they are settled. Amounts expected to be settled more than 12 months from the reporting date are measured as the estimated cash flows, 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 payments, where the effect of discounting is material.

vi Employee benefit on-costs

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

vii Equity-based compensation benefits

Equity-based compensation benefits are provided to employees via the Ridley Corporation Employee Incentive Option Plan and Ridley Employee Share Scheme. Information relating to these schemes is set out in note 35.

No accounting entries are made in relation to the Ridley Corporation Employee Incentive Option Plan until options are exercised, at which time the amounts received from employees are recognised in the statements of financial position as share capital. The amounts disclosed for remuneration of directors and executives in note 37 include the assessed fair values of options at the date they were granted amortised over the vesting period.

CASH

For the purposes of the statements of cash flows, cash includes deposits at call which are readily convertible to cash and are subject to insignificant risk of changes in value, net of outstanding bank overdrafts.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVALUATIONS OF NON-CURRENT ASSETS

Subsequent to initial recognition as assets, land and buildings, including salt fields, are measured at fair value being the amounts for which the assets could be exchanged between willing parties in an arm's length transaction. Revaluations are made with sufficient regularity to ensure that the carrying amount of each piece of land and each building does not differ materially from its fair value at the reporting date. Annual assessments are made by the directors, supplemented by independent assessments at least every three years. The last independent valuation was carried out in 2003.

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

Revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

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

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

ACQUISITION OF ASSETS

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

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

Any liability for restructuring costs and related employee termination benefits is recognised as at the date of acquisition.

LEASED NON-CURRENT ASSETS

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

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

The lease asset is amortised over the term of the lease, or where it is likely that the consolidated entity will obtain ownership of the asset, the life of the asset. Lease assets held at reporting date are being amortised over periods ranging from five to 20 years.

TRADE AND OTHER CREDITORS

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

RECEIVABLES AND REVENUE RECOGNITION

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

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

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MAINTENANCE AND REPAIRS

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

BORROWINGS

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

EARNINGS PER SHARE

i Basic earnings per share

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

ii Diluted earnings per share

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

JOINT VENTURE OPERATIONS

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

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The Australian Accounting Standards Board (AASB) is adopting IFRS for application to reporting periods beginning on or after 1 January 2005. The adoption of Australian equivalents to IFRS will be first reflected in Ridley's financial statements for the half-year ending 31 December 2005 and the year ending 30 June 2006.

Ridley and other entities complying with Australian equivalents of IFRS for the first time will be required to restate their comparative financial statements to amounts reflecting the application of IFRS to that comparative period. In Ridley's case this will be for the year ended 30 June 2005. Most adjustments required on transition to IFRS will be made, retrospectively, against opening retained earnings as at 1 July 2004.

Ridley has established a project team to manage the transition to Australian equivalents of IFRS, including training of staff and system and internal control changes necessary to gather all the required financial information. The project team is chaired by the Chief Financial Officer and reports quarterly to the Audit Committee. The project team has prepared a detailed timetable for managing the transition and is currently on schedule. To date the project team has analysed most of the Australian equivalents to IFRS and has identified a number of accounting policy changes that will be required. In some cases choices of accounting policies are available, including elective exemptions under Pending Accounting Standard AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*. Some of these choices are still being analysed to determine the most appropriate accounting policy for Ridley.

The following should not be regarded as a complete list of changes in accounting policies that will result from the transition to Australian equivalents to IFRS, as not all standards have been analysed as yet, and some decisions have not yet been made where choices of accounting policies are available. For these reasons it is not yet possible to quantify the impact of the transition to Australian equivalents to IFRS on Ridley's financial position and reported results.

Major changes identified to date that will be required to Ridley's existing accounting policies include the following:

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (CONTINUED)

i Pension plans

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

Under AASB 119 *Employee Benefits,* actuarial gains and losses on post employment benefits will be recognised immediately in the statements of financial performance. Movements in the market value of plan assets will also be recognised immediately in the statements of financial performance.

ii Equity-based compensation benefits

Under AASB 2 *Share-based Payment*, equity-based compensation, such as share options to employees, will be recognised as an expense in respect of the services received.

This will result in a change to the current accounting policy, under which no expense is recognised for equity-based compensation.

iii Intangible assets – goodwill

Under AASB 3 *Business Combinations*, amortisation of goodwill will be prohibited, and will be replaced by annual impairment testing focusing on the future cash flows of the related cash generating unit.

This will result in a change to the current accounting policy, under which goodwill is amortised on a straight-line basis over the period during which the benefits are expected to arise and not exceeding 20 years.

For the year ended 30 June 2004 goodwill amortisation was $4,090,000.

iv Financial instruments

Under AASB 132 *Financial Instruments: Disclosure and Presentation,* the current classification of financial instruments issued by entities in the consolidated entity will not change.

Under AASB 139 *Financial Instruments: Recognition and Measurement,* there may be impacts as a result of:

- financial assets held by Ridley being subject to classification as either held for trading, held-to-maturity, available for sale or loans and receivables and, depending upon classification, measured at fair value or amortised cost. The most likely accounting change is that investments in equity securities will be classified as available for sale and measured at fair value, with changes in fair value recognised directly in equity until the underlying asset is derecognised;
- foreign exchange contracts held for hedging purposes being accounted for as cash flow hedges. Changes in the fair value of those contracts will be recognised directly in equity until the hedged transaction occurs, in which case the amounts recognised in equity will be included in the initial cost of the assets acquired. Currently, the costs or gains arising under contracts together with any realised or unrealised gains from remeasurement are included in assets or liabilities as deferred losses or deferred gains.

v Income tax

Under AASB 112 *Income Taxes*, deferred tax balances are determined using the balance sheet method. This calculates temporary differences based on the carrying amounts of assets and liabilities in the statements of financial position and their associated tax bases. In addition, current and deferred taxes attributable to amounts recognised directly in equity are also recognised directly in equity.

The adoption of the new standard will result in a change to the current accounting policy, under which deferred tax balances are determined using the income statement method. Items are only tax-effected if they are included in the determination of pre-tax accounting profit or loss and/or taxable income or loss and current and deferred taxes cannot be recognised directly in equity.

ROUNDING OF AMOUNTS

The interest 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	
	2004 $'000	2003 $'000	**2004 $'000**	2003 $'000
NOTE 2. REVENUE				
Revenue from operating activities				
Sale of goods	**1,162,552**	1,391,486	**–**	–
Livestock income – increase in net market value of livestock	**16,796**	19,402	**–**	–
	1,179,348	1,410,888	**–**	–
Revenue from outside operating activities				
Interest received	**1,607**	2,976	**15,508**	14,249
Proceeds on sale of non-current assets	**2,898**	1,175	**131**	–
Proceeds on sale of business	**3,337**	–	**–**	–
Management fees – related entities	**–**	–	**5,750**	5,702
Dividends received/receivable from related entities	**–**	–	**10,000**	11,645
Other	**872**	3,454	**–**	–
	8,714	7,605	**31,389**	31,596
Total revenue (excluding share of equity accounted net profits of associates)	**1,188,062**	1,418,493	**31,389**	31,596

NOTE 3. OPERATING PROFIT

Profit from ordinary activities including significant items before income tax is arrived at after charging and crediting the following items:

	CONSOLIDATED		PARENT ENTITY	
	2004 $'000	2003 $'000	**2004 $'000**	2003 $'000
CHARGES				
Depreciation and amortisation				
Land and buildings	**2,879**	2,932	**–**	–
Plant and equipment	**16,198**	17,489	**255**	307
Goodwill	**4,090**	5,113	**–**	–
Borrowing costs	**958**	1,721	**377**	758
Deferred expenditure	**161**	1,039	**–**	–
Livestock	**–**	675	**–**	–
Leased assets	**170**	172	**–**	–
Bad and doubtful debt expense – net	**9,541**	10,327	**–**	–
Foreign exchange losses – net	**–**	318	**–**	–
Interest paid	**11,369**	14,301	**6,063**	6,991
Operating lease expense	**9,337**	10,302	**435**	436
Research and development	**1,656**	2,800	**–**	–
Loss on sale of property, plant and equipment	**–**	82	**13**	2
Loss on sale and write-down of investments	**–**	876	**–**	–
Write-down of non-current assets:				
Property, plant and equipment	**–**	931	**–**	–
Livestock	**–**	2,619	**–**	–
Goodwill	**–**	399	**–**	–
Deferred expenditure	**–**	134	**–**	–
CREDITS				
Interest received:				
Related entities	**–**	–	**15,429**	14,067
Other persons and corporations	**1,607**	2,976	**71**	182
Profit on sale of non-current assets	**–**	185	**7**	–
Profit on sale of property, plant and equipment	**391**	–	**–**	–
Foreign exchange gains – net	**5**	–	**–**	–

NOTE 4. SIGNIFICANT ITEMS

	CONSOLIDATED 2004 $'000	CONSOLIDATED 2003 $'000	PARENT ENTITY 2004 $'000	PARENT ENTITY 2003 $'000
In 2004 loans to a North American swine customer were fully provided	**6,753**	–	**–**	–
In 2003 Cotswold Swine Genetics assets were written down to recoverable value				
Property, plant and equipment	**–**	931		–
Receivables	**–**	4,434	**–**	–
Inventory	**–**	2,832	**–**	–
Livestock	**–**	2,619	**–**	–
Goodwill	**–**	399	**–**	–
Deferred expenditure	**–**	134	**–**	–
Significant items before income tax	**6,753**	11,349	**–**	–
Applicable income tax credit	**2,735**	2,918	**–**	–
Significant items after income tax and before outside equity interest	**4,018**	8,431	**–**	–
Outside equity interest	**1,228**	2,496		
Significant items after income tax and outside equity interest	**2,790**	5,935	**–**	–

NOTE 5. DISCONTINUED OPERATIONS

At 30 June 2003 all assets employed in the operation of the Cotswold Swine Genetics business in North America were written down to estimated recoverable value. On 23 September 2003, a controlled entity sold the major assets of that business. Residual operations and commitments will be exited in early fiscal 2005. During the year various lease and purchase commitments have been extinguished or provided for as the remaining operations are liquidated.

On 10 May 2002 a controlled entity sold the Cotswold International – Europe swine genetics business. Settlement of residual assets and liabilities is expected no later than May 2008.

Financial information relating to the discontinued operations is set out below. Further information is disclosed in note 38, Industry and Geographical Data.

	CONSOLIDATED 2004 $'000	CONSOLIDATED 2003 $'000
Revenue from ordinary activities	**16,796**	18,890
Revenue from the sale of discontinued operation	**5,190**	–
Total revenue from ordinary activities	**21,986**	18,890
Expenses from ordinary activities, excluding the carrying amount of assets sold	**20,990**	39,902
Carrying amount of net assets sold and costs incurred in sale	**2,910**	–
	23,900	39,902
Loss from ordinary activities before income tax including significant item set out in note 4	**(1,914)**	(21,012)
Income tax benefit	**844**	7,477
Net loss	**(1,070)**	(13,535)
CARRYING AMOUNT OF ASSETS AND LIABILITIES		
Cash assets	**437**	59
Deferred receivable	**1,163**	1,287
Receivables	**818**	2,168
Inventories	**948**	2,786
Property, plant and equipment	**–**	2,259
Other	**85**	41
Total assets	**3,451**	8,600
Payables and accrued liabilities	**2,128**	1,821
Total liabilities	**2,128**	1,821
Net assets	**1,323**	6,779

NOTE 5. DISCONTINUED OPERATIONS (CONTINUED)

	CONSOLIDATED 2004 $'000	CONSOLIDATED 2003 $'000
CASH FLOW INFORMATION		
Net cash outflow from ordinary activities	**(590)**	(10,475)
Net cash inflow (outflow) from investing activities	**4,511**	(55)
Net cash inflow (outflow) from financing activities	**(3,543)**	10,170
Net cash inflow (outflow)	**378**	(360)
Details of the sale of North American Cotswold swine genetics		
Consideration received for:		
Property, plant and equipment	**1,853**	–
Other	**3,337**	–
Total cash consideration	**5,190**	–
Carrying amount of net assets sold	**(2,910)**	–
Gross gain on sale	**2,280**	–

NOTE 6. INCOME TAX

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

	CONSOLIDATED 2004 $'000	CONSOLIDATED 2003 $'000	PARENT ENTITY 2004 $'000	PARENT ENTITY 2003 $'000
Profit from ordinary activities before income tax	**29,805**	46,950	**16,827**	17,289
Prima facie tax payable at 30%	**8,941**	14,085	**5,048**	5,187
Tax effect of permanent differences:				
Non-deductible depreciation and amortisation	**682**	730	**(16)**	–
Non-deductible expenses	**294**	1,110	**124**	6
Rebateable dividends	**–**	–	**(3,000)**	(3,494)
Share of net profits of associates	**(1,562)**	(1,403)	**–**	–
Losses not previously tax effected	**–**	(2,387)	**–**	–
Losses not tax effected	**101**	–	**–**	–
Other items	**(19)**	(209)	**(110)**	(15)
Income tax adjusted for permanent differences	**8,437**	11,926	**2,046**	1,684
Over provision in previous year	**(323)**	(1,061)	**(140)**	(48)
Effect of higher tax rates on overseas income	**979**	833	**–**	–
Income tax expense attributable to operating profit before the impact of tax consolidation	**9,093**	11,698	**1,906**	1,636
Impact of tax consolidation on income tax expense (refer below)	**–**	–	**80**	–
Income tax expense	**9,903**	11,698	**1,986**	1,636
Income tax expense for tax consolidated group excluding parent entity	**–**	–	**912**	–
Compensation received from the tax consolidated group	**–**	–	**(832)**	–
	–	–	**80**	–

NOTE 6. INCOME TAX (CONTINUED)

TAX CONSOLIDATION LEGISLATION

Ridley Corporation Limited and its wholly owned Australian subsidiaries intend to consolidate for income tax purposes as of 1 July 2003. The entities also intend to enter into a tax sharing agreement where controlled entities will be allocated their portion of tax expense.

Ridley Corporation Limited, as the head entity in the tax consolidated group, has recognised current and deferred tax amounts relating to transactions, events and balances of the wholly owned Australian controlled entities in this group as if those transactions, events and balances were its own, in addition to the current and deferred tax balances arising in relation to its own transactions, events and balances. Amounts receivable or payable under the tax sharing agreement are recognised separately by Ridley Corporation Limited as tax-related amounts receivable or payable. The impact on the income tax expense and results of Ridley Corporation Limited is unlikely to be material because of the tax sharing agreement.

NOTE 7. DIVIDENDS

	CONSOLIDATED		PARENT ENTITY	
	2004 $'000	2003 $'000	**2004 $'000**	2003 $'000
ORDINARY				
Final dividend paid on 29 October 2003 (29 October 2002)				
Fully franked – 3.25 (2003: 2.5) cents per share	**8,670**	6,630	**8,670**	6,630
Interim dividend paid on 6 April 2004 (8 April 2003)				
Fully franked – 2.5 (2003: 2.5) cents per share	**6,690**	6,656	**6,690**	6,656
Total dividends paid	**15,360**	13,286	**15,360**	13,286
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 3.25 cents (2003: 3.25 cents) per fully paid share payable on 27 October 2004 (2003: 29 October 2003) fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid out of retained profits at 30 June 2004, but not recognised as a liability at year-end:	**8,764**	8,670	**8,764**	8,670
The proposed dividends will be franked out of existing franking credits calculated at 30% and out of franking credits arising from the payment of income tax in the year ending 30 June 2005 and from fully franked dividends receivable.				
The estimated amount that could be distributed as dividends and be franked at 30% out of existing franking credits and out of franking credits arising from the payment of income tax provided for in the financial statements and from dividends receivable after deducting franking credits applicable to proposed dividends at balance date:	**Nil**	Nil	**Nil**	Nil

	CONSOLIDATED		PARENT ENTITY	
	2004 $'000	2003 $'000	**2004 $'000**	2003 $'000
NOTE 8. CURRENT ASSETS – RECEIVABLES				
Trade debtors	**96,477**	103,853	**–**	–
Less: Provision for doubtful debts	**(5,737)**	(5,883)	**–**	–
	90,740	97,970	**–**	–
Customer loans and advances [a]	**8,827**	8,706	**–**	–
Less: Provision for doubtful debts	**(3,213)**	(313)	**–**	–
	5,614	8,393	**–**	–
Other debtors	**6,796**	13,410	**1,456**	1
	103,150	119,773	**1,456**	1

a. Refer note 12 for additional information.

	CONSOLIDATED		PARENT ENTITY	
NOTE 9. CURRENT ASSETS – INVENTORIES				
Raw materials and stores	**61,067**	62,394	**–**	–
Work in progress	**9,009**	7,276	**–**	–
Finished goods	**35,130**	35,334	**–**	–
	105,206	105,004	**–**	–
NOTE 10. CURRENT ASSETS – LIVESTOCK				
Livestock	**947**	2,452	**–**	–
	947	2,452	**–**	–
	NUMBER	NUMBER		
Livestock – swine	**13,350**	46,126	**–**	–

In 2003 the breeding herd of 2,649 was written down to nil

	CONSOLIDATED		PARENT ENTITY	
NOTE 11. CURRENT ASSETS – OTHER				
Prepayments	**3,180**	2,818	**91**	90
Other	**894**	382	**–**	–
	4,074	3,200	**91**	90
NOTE 12. NON-CURRENT ASSETS – RECEIVABLES				
Customer loans and advances [a]	**18,485**	20,817	**–**	–
Less: Provision for doubtful debts	**(12,320)**	(8,350)	**–**	–
	6,165	12,467	**–**	–
Other debtors	**1,963**	2,173	**–**	–
Employee share scheme loans	**852**	614	**852**	614
Amounts owing by related entities	**–**	–	**186,995**	192,820
	8,980	15,254	**187,847**	193,434

a. In line with US and Canadian feed industry practice, controlled entities have entered into certain loans and collateral agreements with third parties to facilitate growth and strengthen long-term relationships with key customers. The loans generally bear interest at rates between 4.75% and 9.75% with average terms of four years. The practice of granting such loans has been substantially curtailed in recent years. In 2004 the total new loans advanced was $2,849,000 (2003: $3,988,000) and repayments of existing loans totalled $5,509,000 (2003: $9,878,000).

A provision for doubtful debts of $6.8 million (US$4.6 million) (2003: $7.0 million (US$4.0 million)) was made during the year ended 30 June 2004 due to the deterioration in the financial position of some US customers. The top five loans by value comprised 31% (2003: 54%) of the loans receivable and advances balance at 30 June 2004 net of provisions.

NOTE 13. NON-CURRENT ASSETS – OTHER FINANCIAL ASSETS

	CONSOLIDATED 2004 $'000	CONSOLIDATED 2003 $'000	PARENT ENTITY 2004 $'000	PARENT ENTITY 2003 $'000
Shares in controlled entities – at cost	**–**	–	**7,274**	7,274
Shares in controlled entities – at deemed cost [a]	**–**	–	**101,179**	101,179
Shares in other corporations – at cost	**204**	1,311	**–**	–
Less: Provision for write down to recoverable value [b]	**–**	(846)	**–**	–
	204	465	**108,453**	108,453

a. Shares in controlled entities were revalued by the directors as at 30 June 1999. After the introduction of AASB 1041 *Revaluation of Non-Current Assets* the shares were subsequently deemed to be at cost.

b. Non-traded shares in other corporations have been written down to their assessed recoverable value being the present value of net cash inflows from expected future dividends and subsequent disposal of the shares.

NOTE 14. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED 2004 $'000	CONSOLIDATED 2003 $'000	PARENT ENTITY 2004 $'000	PARENT ENTITY 2003 $'000
LAND AND BUILDINGS				
At cost	**5,893**	423	**–**	–
Less: Accumulated depreciation	**(500)**	(6)	**–**	–
At independent valuation 2003	**185,551**	189,624	**4,000**	4,000
Less: Accumulated depreciation	**(2,379)**	–	**(35)**	–
Total land and buildings	**188,565**	190,041	**3,965**	4,000
PLANT AND EQUIPMENT				
At cost	**244,325**	234,527	**3,797**	3,847
Less: Accumulated depreciation	**(121,953)**	(111,539)	**(3,334)**	(3,223)
Plant and equipment under construction	**8,458**	7,908	**–**	–
Under finance lease	**1,261**	2,476	**–**	–
Less: Accumulated amortisation	**(299)**	(610)	**–**	–
Total plant and equipment	**131,792**	132,762	**463**	624
SUMMARY				
Property, plant and equipment:				
At cost	**250,218**	234,950	**3,797**	3,847
Under finance lease	**1,261**	2,476	**–**	–
At independent valuation 2003	**183,172**	189,624	**4,000**	4,000
Under construction	**8,458**	7,908	**–**	–
Less: Accumulated depreciation	**(122,752)**	(112,155)	**(3,369)**	(3,223)
	320,357	322,803	**4,428**	4,624

BASIS OF VALUATION

The basis of valuation of land and buildings, including salt fields is fair market value based on existing use. The independent valuation in 2003 was carried out by qualified valuers in Australia and North America.

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

RECONCILIATIONS

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

	LAND AND BUILDINGS $'000	PLANT AND EQUIPMENT $'000	TOTAL $'000
CONSOLIDATED			
Carrying amount at 1 July 2003	190,041	132,762	322,803
Additions	5,062	19,644	24,706
Disposals	(1,380)	(1,816)	(3,196)
Foreign currency exchange differences	(2,279)	(2,430)	(4,709)
Depreciation (note 3)	(2,879)	(16,368)	(19,247)
Carrying amount at 30 June 2004	188,565	131,792	320,357
PARENT ENTITY			
Carrying amount at 1 July 2003	4,000	624	4,624
Additions	–	197	197
Disposals	–	(138)	(138)
Depreciation (note 3)	(35)	(220)	(255)
Carrying amount at 30 June 2004	3,965	463	4,428

	CONSOLIDATED		PARENT ENTITY	
	2004 $'000	2003 $'000	**2004 $'000**	2003 $'000
NOTE 15. NON-CURRENT ASSETS – GOODWILL				
At cost less amounts written off	**80,880**	82,472	**–**	–
Less: Accumulated amortisation	**(30,480)**	(27,423)	**–**	–
	50,400	55,049	**–**	–
NOTE 16. NON-CURRENT ASSETS – DEFERRED TAX ASSETS				
Future income tax benefit	**3,993**	10,510	**–**	742

Future income tax benefits include the benefit of tax losses in controlled entities of $3,991,000 (2003: $3,798,000). The future income tax benefit at 30 June 2004 in respect of tax losses not brought to account is $1,291,000 (2003: $1,334,000).

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	
	2004 $'000	2003 $'000	**2004 $'000**	2003 $'000

NOTE 17. NON-CURRENT ASSETS – OTHER

Deferred expenditure	**8,001**	8,231	**2,617**	2,424
Less: Accumulated amortisation	**(4,107)**	(4,412)	**(1,406)**	(1,030)
	3,894	3,819	**1,211**	1,394

NOTE 18. CURRENT LIABILITIES – PAYABLES

Trade creditors and accruals	**111,458**	117,109	**815**	1,268

NOTE 19. CURRENT LIABILITIES – INTEREST BEARING LIABILITIES

SECURED				
Bank overdraft and loans [a]	**20,132**	16,976	**–**	–
Lease liabilities	**220**	344	**–**	–
UNSECURED				
Loan	**268**	277	**–**	–
	20,620	17,597	**–**	–

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.

NOTE 20. CURRENT LIABILITIES – CURRENT TAX LIABILITIES

Income tax	**1,815**	3,828	**–**	1,129

NOTE 21. CURRENT LIABILITIES – PROVISIONS

Dividends	**3**	3	**3**	3
Employee entitlements (note 35)	**8,032**	8,738	**499**	441
	8,035	8,741	**502**	444

NOTE 22. NON-CURRENT LIABILITIES – PAYABLES

Creditors	**484**	394	**484**	394

NOTE 23. NON-CURRENT LIABILITIES – INTEREST BEARING LIABILITIES

SECURED				
Bank loans [a]	**113,783**	151,190	**75,000**	85,000
Lease liabilities	**599**	642	**–**	–
	114,382	151,832	**75,000**	85,000

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

	CONSOLIDATED 2004 $'000	CONSOLIDATED 2003 $'000	PARENT ENTITY 2004 $'000	PARENT ENTITY 2003 $'000

NOTE 24. NON-CURRENT LIABILITIES – DEFERRED TAX LIABILITIES

	CONSOLIDATED 2004 $'000	CONSOLIDATED 2003 $'000	PARENT ENTITY 2004 $'000	PARENT ENTITY 2003 $'000
Deferred income tax	**21,932**	27,988	**3,242**	–

NOTE 25. NON-CURRENT LIABILITIES – PROVISIONS

	CONSOLIDATED 2004 $'000	CONSOLIDATED 2003 $'000	PARENT ENTITY 2004 $'000	PARENT ENTITY 2003 $'000
Employee entitlements (note 35)	**10,142**	10,068	**259**	242

NOTE 26. CONTRIBUTED EQUITY

	CONSOLIDATED 2004 $'000	CONSOLIDATED 2003 $'000	PARENT ENTITY 2004 $'000	PARENT ENTITY 2003 $'000
Paid up capital – 269,646,724 (2003: 266,761,326) ordinary shares			**197,341**	194,134

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

DATE	DETAILS	NUMBER OF SHARES	PRICE $/SHARE	$'000
01/07/02	Opening balance	**265,207,411**		**192,336**
29/10/02	Dividend Reinvestment Plan	522,394	1.3533	706
19/02/03	Employee Share Scheme	519,750	0.7400	385
08/04/03	Dividend Reinvestment Plan	511,771	1.3806	707
30/06/03	**Balance**	**266,761,326**		**194,134**
29/10/03	Dividend Reinvestment Plan	581,014	1.4216	826
25/02/04	Exercise of Employee Options	275,000	0.7400	204
27/02/04	Shares repurchased	(70,000)	1.3572	(95)
02/03/04	Shares repurchased	(275,700)	1.3445	(372)
03/03/04	Shares repurchased	(261,355)	1.3378	(351)
12/03/04	Employee Share Scheme	607,055	0.6300	382
06/04/04	Dividend Reinvestment Plan	1,779,384	1.3757	2,448
08/06/04	Exercise of Employee Options	250,000	0.6600	165
30/06/04	**Balance**	**269,646,724**		**197,341**

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.

b. At 30 June 2004, 9,650,000 (2003: 7,125,000) options were on issue. The options are exercisable at various dates up to 31 January 2009. Details of existing options are disclosed in note 35.

c. On 23 February 2004 the Company announced an on-market buy-back of 5% of its issued capital.

	CONSOLIDATED 2004 $'000	CONSOLIDATED 2003 $'000	PARENT ENTITY 2004 $'000	PARENT ENTITY 2003 $'000

NOTE 27. RESERVES

	2004 $'000	2003 $'000	2004 $'000	2003 $'000
Asset revaluation	**60,683**	61,147	**13,923**	13,923
Foreign currency translation	**(4,005)**	(544)	**–**	–
Capital	**28,487**	28,487	**–**	–
	85,165	89,090	**13,923**	13,923

ASSET REVALUATION RESERVE

	2004 $'000	2003 $'000	2004 $'000	2003 $'000
Balance at 1 July	**61,147**	56,403	**13,923**	14,051
Increment/(decrement) arising from revaluation of land and buildings	**(456)**	4,783	**–**	(128)
Transfer to outside equity interests due to the issue of shares by a controlled entity	**(8)**	(39)	**–**	–
Balance at 30 June	**60,683**	61,147	**13,923**	13,923

FOREIGN CURRENCY TRANSLATION RESERVE

	2004 $'000	2003 $'000	2004 $'000	2003 $'000
Balance at 1 July	**(544)**	15,015	**–**	–
Add: movement arising from translation of foreign controlled entities	**(3,471)**	(15,532)	**–**	–
Transfer to outside equity interests due to the issue of shares by a controlled entity	**10**	(27)	**–**	–
Balance at 30 June	**(4,005)**	(544)	**–**	–

NATURE AND PURPOSE OF RESERVES

a. Asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in the accounting policies is only available for the payment of cash dividends in limited circumstances as permitted by law.

b. Foreign currency translation reserve

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

c. Capital reserve

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

NOTE 28. RETAINED PROFITS

	2004 $'000	2003 $'000	2004 $'000	2003 $'000
Retained profits at the beginning of the financial year	**34,420**	10,690	**14,469**	5,472
Adjustment resulting from a change in accounting policy for providing for dividends	**–**	6,630	**–**	6,630
Net profit attributable to members of Ridley Corporation Limited	**17,700**	31,298	**14,841**	15,653
Dividends paid (note 7)	**(15,360)**	(13,286)	**(15,360)**	(13,286)
Transfer to outside equity interests due to the issue of shares by a controlled entity	**(217)**	(912)	**–**	–
Retained profits at the end of the financial year	**36,543**	34,420	**13,950**	14,469

NOTE 29. OUTSIDE EQUITY INTERESTS IN CONTROLLED ENTITIES

	2004 $'000	2003 $'000	2004 $'000	2003 $'000
Interest in:				
Share capital	**25,649**	25,220	**–**	–
Reserves	**(180)**	1,519	**–**	–
Retained earnings	**24,104**	20,835	**–**	–
	49,573	47,574	**–**	–

NOTE 30. EQUITY

	CONSOLIDATED 2004 $'000	CONSOLIDATED 2003 $'000	PARENT ENTITY 2004 $'000	PARENT ENTITY 2003 $'000
Total equity at the beginning of the financial year	**365,218**	351,701	**222,526**	211,859
Adjustment to retained earnings at beginning of the financial year resulting from change in accounting policy for providing for dividends	**–**	6,630	**–**	6,630
Total changes in equity recognised in the statements of financial performance	**13,775**	20,483	**14,841**	15,525
Transfer to outside equity interests due to the issue of shares by a controlled entity	**(217)**	(912)	**–**	–
Transactions with owners as owners				
Contributions of equity	**3,207**	1,798	**3,207**	1,798
Dividends paid	**(15,360)**	(13,286)	**(15,360)**	(13,286)
Changes in outside equity interest	**1,999**	(1,196)	**–**	–
Total equity at the end of the financial year	**368,622**	365,218	**225,214**	222,526

NOTE 31. FINANCIAL INSTRUMENTS

A. OFF-BALANCE SHEET DERIVATIVE INSTRUMENTS

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

Interest rate swap contracts

At balance date bank loans of the consolidated entity incur an average variable interest rate of 5.33% (2003: 4.32%). It is Company policy to protect part of the loans from exposure to increasing interest rates. Accordingly, the consolidated entity has entered into interest rate swap contracts under which it has fixed the interest rate payable. The contracts are settled on a net basis and the net amount receivable or payable at the reporting date is included in other debtors or creditors and accruals.

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

Swaps in place cover approximately 94% (2003: 90%) of the loan principal outstanding. The average fixed rate on the swaps, including margins, is 6.69% (2003: 6.54%).

At 30 June 2004, the notional principal amounts and periods of expiry of the contracts are as follows:

	2004 $'000	2003 $'000
0 – 1 year	**69,795**	34,975
1 – 2 years	**30,767**	67,223
2 – 3 years	**15,000**	34,975
3 – 4 years	**10,000**	15,000
	125,562	152,173

Foreign exchange contracts

At balance date controlled entities have external contracts to hedge future sales denominated in foreign currencies and to hedge intercompany loans denominated in foreign currencies. The terms of the contracts are for less than one year. At 30 June 2004 the controlled entities have contracted to sell US$350,000 for A$497,000, NZ$2,000,000 for A$1,770,000, JPY23,165,000 for A$309,000 and US$2,000,000 for Canadian $2,694,000 (2003: US$12,000 for A$23,000, NZ$3,170,000 for A$2,808,0000 and US$13,000,000 for Canadian $17,706,000).

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

	2004 $'000	2003 $'000

NOTE 31. FINANCIAL INSTRUMENTS (CONTINUED)

A. OFF-BALANCE SHEET DERIVATIVE INSTRUMENTS (CONTINUED)

The following gains, losses and costs have been deferred at 30 June 2004:

	2004	2003
Unrealised gains/(losses)	**78**	23

B. CREDIT RISK EXPOSURES

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

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

C. INTEREST RATE RISK EXPOSURES

The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out below.

Exposures arise predominantly from assets and liabilities bearing variable interest rates as the consolidated entity intends to hold fixed rate assets and liabilities to maturity.

			2004 FIXED INTEREST MATURING IN:				
	NOTES	FLOATING INTEREST RATE $'000	1 YEAR OR LESS $'000	OVER 1 TO 5 YEARS $'000	MORE THAN 5 YEARS $'000	NON-INTEREST BEARING $'000	TOTAL $'000
Financial assets							
Cash and deposits		11,543	–	–	–	20	11,563
Receivables	8, 12	–	5,614	7,584	–	98,932	112,130
		11,543	5,614	7,584	–	98,952	123,693
Weighted average interest rate		2.79%	5.90%	5.14%	–	–	–
Financial liabilities							
Loans and bank overdrafts	19, 23	134,183	–	–	–	–	134,183
Trade and other creditors	18, 22	–	–	–	–	111,942	111,942
Lease liabilities	19, 23	–	220	599	–	–	819
Interest rate swaps*		(125,562)	69,795	55,767	–	–	–
		8,621	70,015	56,366	–	111,942	246,944
Weighted average interest rate		6.78%	6.71%	5.83%	–	–	–
Net financial assets (liabilities)		2,922	(64,401)	(48,782)	–	(12,990)	(123,251)

* Notional principal amounts

NOTE 31. FINANCIAL INSTRUMENTS (CONTINUED)

C. INTEREST RATE RISK EXPOSURES (CONTINUED)

			2003 FIXED INTEREST MATURING IN:				
	NOTES	FLOATING INTEREST RATE $'000	1 YEAR OR LESS $'000	OVER 1 TO 5 YEARS $'000	MORE THAN 5 YEARS $'000	NON-INTEREST BEARING $'000	TOTAL $'000
Financial assets							
Cash and deposits		18,799	–	–	–	22	18,821
Receivables	8, 12		8,393	5,392	8,704	112,538	135,027
		18,799	8,393	5,392	8,704	112,560	153,848
Weighted average interest rate		4.02%	4.80%	4.04%	5.18%	–	–
Financial liabilities							
Loans and bank overdrafts	19, 23	168,443	–	–	–	–	168,443
Trade and other creditors	18, 22	–	–	–	–	117,503	117,503
Lease liabilities	19, 23	–	344	642	–	–	986
Interest rate swaps*		(152,173)	34,975	117,198	–	–	–
		16,270	35,319	117,840	–	117,503	286,932
Weighted average interest rate		5.13%	6.60%	7.00%	–	–	–
Net financial assets (liabilities)		2,529	(26,926)	(112,448)	8,704	(4,943)	(133,084)

* Notional principal amounts

Reconciliation of Net Financial Assets to Net Assets

	NOTES	2004 $'000	2003 $'000
Net financial liabilities as above		**(123,251)**	(133,084)
Non-financial assets and liabilities:			
Inventories	9, 10	**106,153**	107,456
Investments and other financial assets	13, 45	**44,926**	46,090
Property, plant and equipment	14	**320,357**	322,803
Goodwill	15	**50,400**	55,049
Other assets	11, 16, 17	**11,961**	17,529
Provisions	20, 21, 24, 25	**(41,924)**	(50,625)
Net assets per statements of financial position		**368,622**	365,218

D. NET FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

i On-balance sheet

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

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

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

ii Off-balance sheet

For interest rate swaps, the net fair value has been determined as the carrying amount, which represents the amount currently receivable or payable at 30 June 2004 and the present value of estimated future cash flows which have not been recognised as an asset or liability.

NOTE 31. FINANCIAL INSTRUMENTS (CONTINUED)

D. NET FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)
The carrying amounts and net fair values of financial assets and liabilities at balance date are:

	2004		2003	
	CARRYING AMOUNT $'000	**NET FAIR VALUE $'000**	CARRYING AMOUNT $'000	NET FAIR VALUE $'000
ON-BALANCE SHEET FINANCIAL INSTRUMENTS				
Financial assets				
Trade debtors	**90,740**	**90,740**	97,970	97,970
Cash and deposits	**11,563**	**11,563**	18,821	18,821
Other debtors	**21,312**	**21,312**	37,034	37,034
Other financial assets	**204**	**204**	465	465
Forward exchange contract	**78**	**78**	23	23
	123,897	**123,897**	154,313	154,313
Financial liabilities				
Loans and bank overdrafts	**134,182**	**134,182**	168,443	168,443
Trade and other creditors	**111,942**	**111,942**	117,503	117,503
Lease liabilities	**819**	**819**	986	986
	246,943	**246,943**	286,932	286,932
OFF-BALANCE SHEET FINANCIAL INSTRUMENTS				
Financial liabilities				
Interest rate swaps	**1,637**	**1,637**	5,253	5,253

None of the classes of financial assets and liabilities are readily traded on organised markets in standard form.

NOTE 32. COMMITMENTS FOR EXPENDITURE

	CONSOLIDATED		PARENT ENTITY	
	2004 $'000	2003 $'000	**2004 $'000**	2003 $'000
Capital expenditure contracted for and payable not later than one year	**10,331**	9,105	**–**	–
Operating leases contracted but not provided for in the accounts:				
Due within 1 year	**5,840**	7,096	**419**	418
Due within 1 – 2 years	**4,192**	5,077	**326**	406
Due within 2 – 5 years	**3,796**	5,327	**17**	304
Due after 5 years	**4,305**	4,662	**–**	–
	18,133	22,162	**762**	1,128
Finance leases contracted for as follows:				
Due within 1 year	**220**	389	**–**	–
Due within 1 – 2 years	**227**	210	**–**	–
Due within 2 – 5 years	**372**	473	**–**	–
Minimum lease payments	**819**	1,072	**–**	–
Deduct: Future finance charges	**111**	86	**–**	–
Lease liabilities	**708**	986	**–**	–

Under the terms of the finance leases the consolidated entity has the option to acquire the leased assets at a pre-determined value on expiry of the lease.

	CONSOLIDATED		PARENT ENTITY	
	2004 $'000	2003 $'000	**2004 $'000**	2003 $'000
NOTE 32. COMMITMENTS FOR EXPENDITURE (CONTINUED)				
Management fees and livestock purchase commitments contracted but not provided for in the accounts:				
Due within 1 year	**4,707**	10,519	**–**	–
Due within 1 – 2 years	**284**	1,548	**–**	–
Due within 2 – 5 years	**71**	1,769	**–**	–
	5,062	13,836	**–**	–

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

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

NOTE 33. CONTINGENT LIABILITIES

The consolidated entity has guaranteed certain debts and obligations of various customers totalling $3,613,000 (2003: $4,770,000).

Secured guarantees by the parent entity in respect of borrowings and other obligations of controlled entities were $58,742,000 (2003: $80,392,000). The guarantees are secured by a fixed and floating charge over certain assets of the consolidated entity.

In 2002, a controlled entity divested a subsidiary. The purchaser of the subsidiary has notified that controlled entity of certain potential warranty and indemnity claims following the sale. The relevant parties are in the early stages of negotiation in respect of those claims and it is not practical to assess the financial exposure related to them. Any ultimate settlement of these claims is not expected to have a material financial impact.

Under the terms of the sale agreement for a subsidiary, a controlled entity is obligated to fund the deficit in its UK pension plan. At 30 June 2004 this deficit was $524,000 (2003: $478,000) which has been provided for. The relevant plan is now closed. Plan assets may fluctuate due to market conditions.

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

	2004 $	2003 $	**2004 $**	2003 $
NOTE 34. REMUNERATION OF AUDITORS				
Amounts received or due and receivable by the auditors for:				
a. Auditing and review of financial reports				
PricewaterhouseCoopers – Australia	**362,000**	309,700	**150,000**	137,400
PricewaterhouseCoopers – International	**448,647**	366,709	**–**	–
Other auditors	**6,072**	6,752	**–**	–
b. Taxation				
PricewaterhouseCoopers – Australia	**203,815**	357,200	**116,143**	305,200
PricewaterhouseCoopers – International	**194,990**	320,231	**–**	–
c. Other services				
PricewaterhouseCoopers – Australia	**–**	41,718	**–**	41,718
PricewaterhouseCoopers – International	**–**	6,943	**–**	–
	1,215,524	1,409,253	**266,143**	484,318

	2004 $'000	2003 $'000	2004 $'000	2003 $'000

NOTE 35. EMPLOYEE ENTITLEMENTS

Aggregate employee entitlements including on-costs				
Current (note 21)	**8,032**	8,738	**499**	441
Non-current (note 25)	**10,142**	10,068	**259**	242
	18,174	18,806	**758**	683

EQUITY PLANS

i Incentive Option Plan

The Ridley Corporation Incentive Option Plan was approved by shareholders at the 1993 Annual General Meeting, amended at the 1996 Annual General Meeting, and subsequently amended by the Board in January 2002. Under the Incentive Option Plan certain employees and executive directors of the consolidated entity may be offered a number of options, each of which will represent a right to acquire one fully paid ordinary share in the capital of the Company. The purpose of the Incentive Option Plan is to advance the interests of the Company by affording such persons the opportunity of benefiting from increases in shareholder value, thereby more closely aligning their interests with those of shareholders. Options are granted under the plan for no consideration. The options have a maximum duration of five years and lapse if not exercised within five years from the date of grant or within one month of leaving the consolidated entity. The options can only be exercised after a minimum of two years from the date of grant, with certain minor exceptions. The exercise price is the weighted average price over the five trading days on the Australian Stock Exchange, prior to the date of grant, increased each anniversary of issue date by 5% compound. The movement in the share price constitutes the performance criteria for these options to be exercised.

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

OPTION	EXERCISE PRICE	EXERCISE DATE
500,000	$0.59	1 November 2002 to 1 November 2005
200,000	$0.79	12 February 2004 to 12 February 2006
675,000	$0.72	9 July 2004 to 9 July 2006
250,000	$0.89	26 September 2004 to 26 September 2006
500,000	$0.96	29 October 2004 to 29 October 2006
466,667	$1.33	26 February 2004 to 26 February 2007
466,667	$1.40	26 February 2005 to 26 February 2007
466,666	$1.47	26 February 2006 to 26 February 2007
166,667	$1.50	28 November 2004 to 28 November 2007
166,667	$1.57	28 November 2005 to 28 November 2007
166,666	$1.65	28 November 2006 to 28 November 2007
83,333	$1.70	6 January 2005 to 6 January 2008
83,333	$1.79	6 January 2006 to 6 January 2008
83,334	$1.87	6 January 2007 to 6 January 2008
775,006	$1.63	31 January 2005 to 31 January 2008
774,997	$1.71	31 January 2006 to 31 January 2008
774,997	$1.80	31 January 2007 to 31 January 2008
166,666	$1.54	27 October 2005 to 27 October 2008
166,667	$1.61	27 October 2006 to 27 October 2008
166,667	$1.69	27 October 2007 to 27 October 2008
849,996	$1.36	12 January 2006 to 12 January 2009
850,000	$1.42	12 January 2007 to 12 January 2009
850,004	$1.50	12 January 2008 to 12 January 2009
9,650,000		

3,050,000 (2003: 3,075,000) options were granted under the plan during the year as follows:

166,666	$1.54	27 October 2005 to 27 October 2008
166,667	$1.61	27 October 2006 to 27 October 2008
166,667	$1.69	27 October 2007 to 27 October 2008
849,996	$1.36	12 January 2006 to 12 January 2009
850,000	$1.42	12 January 2007 to 12 January 2009
850,004	$1.50	12 January 2008 to 12 January 2009

525,000 (2003: Nil) ordinary shares were issued during the year ended 30 June 2004 on the exercise of options granted under the plan. The market value of shares issued during the year was $691,000 (2003: Nil).

NOTE 35. EMPLOYEE ENTITLEMENTS (CONTINUED)

EQUITY PLANS (CONTINUED)

ii 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 issued to Australian employees 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 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. 607,055 (2003: 519,750) shares were issued under this scheme during the year for $382,000 (2003: $385,000). The market value of the shares issued was $765,000 (2003: $774,000). The total loan amount outstanding at 30 June 2004 was $852,000 (2003: $614,000).

iii Ridley Inc. – Stock Option Plan

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

Options granted under the plan will have an exercise price of not less than the market price of the common shares of Ridley Inc. at the time of grant based on the closing sale price of common shares on the business day immediately prior and are exercisable over a maximum of 10 years. During the year 67,200 shares (2003: 250,500) were issued under the plan for $491,000 (2003: $2,086,000). The market value of the shares issued was $760,000 (2003: $3,823,000).

This plan has been suspended and replaced by the Ridley Inc. Long Term Incentive Program.

No options were granted under the plan during the year (2003: Nil). Options outstanding under the plan at balance date are as follows:

OPTION	EXERCISE PRICE	EXERCISE DATE
127,500	C$10.65	3 September 2000 to 3 September 2004
125,600	C$6.50	1 December 2001 to 1 December 2005
176,000	C$5.38	6 November 2002 to 6 November 2006

RIDLEY INC. LONG TERM INCENTIVE PROGRAM

Effective 1 July 2003, Ridley Inc. adopted an incentive plan for certain eligible executives known as the Ridley Inc. Long Term Incentive Program (the "Program"). The purpose of the Program is to advance the long-term interests of Ridley Inc. by attracting and retaining key employees and by stimulating the efforts of such employees to contribute to the continued long-term success and growth of the business. The President and Chief Executive Officer Ridley Inc. is responsible, in his sole discretion, for selecting those executives and employees eligible to participate in the Program and for administering the Program. Participants will be entitled to bonuses ranging from 11% to 21.25% of their base salary provided Ridley Inc. meets its performance target based on return on funds employed for each fiscal year. Participants will be credited annually based on performance during each fiscal year for a three or four year period (a "Program Cycle") and will be eligible to receive an incentive payment in the fiscal quarter following the end of the Program Cycle provided the participant has remained an employee throughout the applicable Program Cycle and on the date the payment is actually made. A participant will be entitled to a pro rata incentive payment should their employment be terminated prior to the date payment is actually made by reason of death, retirement or disability or if their employment is involuntarily terminated by reason of a redundancy.

SUPERANNUATION

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

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

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

Company contributions in terms of awards and agreements are legally enforceable and, in addition, contributions for all employees have to be made at minimum levels for the consolidated entity to comply with its obligations in terms of the Superannuation Guarantee Act.

NOTE 35. EMPLOYEE ENTITLEMENTS (CONTINUED)

SUPERANNUATION (CONTINUED)

Other contributions are in the main not legally enforceable, with the right to terminate, reduce or suspend these contributions upon giving written notice to the trustees. The level of contributions to the defined benefit funds in the future will be reviewed on the advice of each fund's actuary from time to time and at the time of the triennial or annual valuations. The basis of contributions to the various plans is determined as a percentage of members' salaries or as required by the actuarial valuation.

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

a. Defined Benefit Fund

Ridley Superannuation Plan

Last actuarial assessment as at 1 July 2002 by John Hancock, FIAA

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

	2004 $'000	2003 $'000
Present value of employee accrued benefits [a]	**7,332**	7,332
Net market value of assets held by the fund to meet future benefit payments [a]	**7,146**	7,146
Excess/(deficit) of assets held to meet future benefit payments over the present value of employees' accrued benefits	**(186)**	(186)
Vested benefits [a]	**7,022**	7,022
Employer contributions to the fund during the year	**426**	408

a. As at 1 July 2002 for 2004 and 2003. This is the most recent information available from the 2002 actuarial assessment.

Contributing Companies:

- Ridley Corporation Limited
- Cheetham Salt Limited
- Ridley AgriProducts Pty Ltd
- Farmstock Pty Ltd

b. Defined Contribution Funds

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

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

PENSION PLANS

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

NOTE 35. EMPLOYEE ENTITLEMENTS (CONTINUED)

PENSION PLANS (CONTINUED)

a. Hubbard Feeds Inc. Salaried Employees Retirement Plan

Last Actuarial Assessment as at 30 April 2004 by DA Anderson, ASA, MAA, EA

	2004 $'000	2003 $'000
Present value of employees' accrued benefits	**15,001**	14,686
Net market value of assets held by the fund to meet future benefit payments	**10,688**	8,051
Deficiency of assets held to meet future benefit payments	**(4,313)**	(6,635)
Vested benefits	**10,791**	9,921
Employer contributions to the fund for the year	**1,398**	1,468

The 2004 information is as at 30 April 2004 and 2003 is as at 30 April 2003.

b. Hubbard Feeds Inc. Pension Plan for Hourly Wage Employees

Last Actuarial Assessment as at 30 April 2004 by DA Anderson, ASA, MAA, EA

	2004 $'000	2003 $'000
Present value of employees' accrued benefits	**7,790**	7,069
Net market value of assets held by the fund to meet future benefit payments	**5,610**	4,354
Deficiency of assets held to meet future benefit payments	**(2,180)**	(2,715)
Vested benefits	**6,911**	6,522
Employer contributions to the fund for the year	**779**	915

The 2004 information is as at 30 April 2004 and 2003 is as at 30 April 2003.

$973,000 (2003: $1,490,000) of the deficiencies in the Hubbard Feeds Inc. pension plans are provided for in the financial statements.

NOTE 36. RELATED PARTY DISCLOSURES

DIRECTORS

Information on directors is disclosed in note 37.

OTHER RELATED PARTIES

Salpak Pty Ltd, Western Salt Refinery Pty Ltd, Dominion Salt Limited, Dominion Salt (N.I.) Limited and Cerebos-Skellerup Limited are associated entities due to the shareholding and representation by Ridley Corporation Limited on the board of directors. Information relating to material interests in associated entities is set out in note 45.

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

	CONSOLIDATED		PARENT ENTITY	
	2004 $'000	2003 $'000	**2004 $'000**	2003 $'000
Management and director fees – associated entities	**374**	374	**–**	–
Aggregate amounts brought to account in relation to other transactions with each class of other related parties:				
Supply of products to associated entities	**6,690**	8,961	**–**	–
Supply of products by associated entities	**1,449**	1,768	**–**	–
Aggregated amounts receivable from, and payable to, each class of other related parties at balance date were as follows:				
Current receivables – associated entities	**562**	688	**–**	–

NOTE 36. RELATED PARTY DISCLOSURES (CONTINUED)

WHOLLY OWNED GROUP

Information relating to controlled entities is set out in note 44.

Transactions between Ridley Corporation Limited and controlled entities consisted of:

a. Interest charged on outstanding balances.
b. Payment of dividends to Ridley Corporation Limited.
c. Management charges.
d. Rent for use of assets.

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

	PARENT ENTITY	
	2004 $'000	2003 $'000
Interest revenue	**15,429**	14,067
Dividend revenue	**10,000**	11,645
Management charges	**5,750**	5,702
Aggregate amounts receivable from controlled entities at balance date were as follows:		
Non-current receivable	**186,995**	192,820

NOTE 37. DIRECTOR AND EXECUTIVE DISCLOSURES

DIRECTORS

The following persons were directors of Ridley Corporation Limited during the financial year:

Chairman – non-executive
J S Keniry

Executive director – Managing Director
M P Bickford-Smith

Non-executive directors
D G McGauchie
E B Bryan
R J Lee
R J Lotze
A L Vizard

EXECUTIVES (OTHER THAN DIRECTORS) WITH THE GREATEST AUTHORITY FOR STRATEGIC DIRECTION AND MANAGEMENT

The following persons were the seven executives with the greatest authority for the strategic direction and management of the consolidated entity ("specified executives") during the financial year:

NAME	POSITION	EMPLOYER
I Wilton	Chief Financial Officer	Ridley Corporation Limited
W J Poynton	Chief Executive Officer – Cheetham Salt	Ridley Corporation Limited
A D Murdoch	Chief Executive Officer – Ridley AgriProducts	Ridley Corporation Limited
R B Gallaway	President and Chief Executive Officer	Ridley Inc.
S J VanRoekel	President – Ridley Feed Operations	Ridley Inc.
R E Frost	Executive Vice President	Ridley Inc.
M S Mitchell	Chief Financial Officer	Ridley Inc.

All of the above persons were also specified executives during the year ended 30 June 2003

NOTE 37. DIRECTOR AND EXECUTIVE DISCLOSURES (CONTINUED)

REMUNERATION OF DIRECTORS AND EXECUTIVES

Principles used to determine the nature and amount of remuneration

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

Executive remuneration and other terms of employment are reviewed annually by the committee having regard to performance against goals set at the start of the year, relevant comparative information and independent expert advice. For Australian executives, remuneration consists of a base salary package and performance related bonuses. North American executives' remuneration consists of a base salary, retirement entitlements, performance related bonuses and fringe benefits. Executives are also eligible to participate in the Company's option and employee share plans.

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

Remuneration of non-executive directors is determined by the Board within the maximum amount approved by the shareholders from time to time. Non-executive directors are also entitled to retirement benefits as set out in the constitution of the Company. No additional benefits will accrue from 31 October 2003

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

Non-executive directors

Directors' fees

The current base remuneration was last reviewed with effect from 1 November 2003. The Chairman's remuneration is inclusive of committee fees while non-executive directors who chair a committee receive additional fees.

Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. 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 holding office at 31 October 2003 will be entitled to receive from the Company their accrued entitlement totalling $456,000 calculated on 31 October 2003 upon retirement.

Executive pay

The executive pay and reward framework has three components:

- base pay and benefits
- short-term performance incentives
- long-term incentives through participation in the Ridley Corporation Limited Incentive Option Plan and Employee Share Scheme.

The combination of these comprises the executives' total remuneration.

Base pay and benefits

Australian executives receive a total employment cost package which may be delivered as a mix of cash and prescribed non-financial benefits including superannuation, at the executives' discretion. North American executives are paid a base salary plus benefits including motor vehicle allowances, pension, health fund and other benefits.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. External remuneration consultants provide analysis and advice to ensure base pay is 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 and pension funds in Australia and North America. 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.

NOTE 37. DIRECTOR AND EXECUTIVE DISCLOSURES (CONTINUED)

REMUNERATION OF DIRECTORS AND EXECUTIVES (CONTINUED)

Short-term incentives

Executives are eligible for short-term incentive payments based on two components, being the financial performance and individual key performance indicators (KPIs). Should profit targets set at the commencement of the year be achieved then a short-term incentive is payable for executives. Cash incentives (bonuses) are payable in cash in September each year. Using profit targets ensures the award is only available when value has been created for shareholders.

Each executive also has a target short-term incentive opportunity depending on the accountabilities of the role and impact on organisation or business unit performance. Each year, appropriate targets and KPIs are set to link the short-term incentive plan and the level of payout if targets are met. This includes setting any maximum payout under the short-term incentive plan, and minimum levels of performance to trigger payment of short-term incentive.

For the year ended 30 June 2004, the KPIs linked to short-term incentive plans were based on group, individual business 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, such as safety of operations, in future reporting periods.

The short-term bonus payments may be adjusted up or down in line with under or over achievement against the target performance levels.

Long-term incentives

Information on the Ridley Corporation Incentive Option Plan, the Ridley Inc. Stock Option Plan, The Employee Share Scheme and the Ridley Inc. Long Term Incentive Program is set out in note 35.

Details of remuneration

Details of the remuneration of each director of Ridley Corporation Limited and each of the seven specified executives of the consolidated entity, including their personally-related entities, are set out in the following tables:

Directors of Ridley Corporation Limited

2004	PRIMARY			POST-EMPLOYMENT		EQUITY	
NAME	DIRECTORS' FEES AND BASE SALARY PACKAGE $	BONUS $	MOVEMENT IN LEAVE PROVISIONS* $	MOVEMENT IN RETIREMENT ALLOWANCE* $	SUPER-ANNUATION $	OPTIONS $	TOTAL $
J S Keniry	149,370	–	–	4,513	9,561	–	163,444
M P Bickford-Smith	529,935	60,000	38,585	–	–	159,736	788,256
E B Bryan	67,871	–	–	15,550	347	–	83,768
R J Lee	62,586	–	–	15,550	5,632	–	83,768
R J Lotze	68,711	–	–	4,913	6,184	–	79,808
D G McGauchie	89,564	–	–	6,892	8,061	–	104,517
A L Vizard	62,586	–	–	13,269	5,632	–	81,487
Total	1,030,623	60,000	38,585	60,687	35,417	159,736	1,385,048

* Movement in retirement allowance (frozen as at 31 October 2003), annual leave and long service leave provisions

Specified executives of the consolidated entity

2004	PRIMARY					POST-EMPLOYMENT	EQUITY	
NAME	BASE SALARY PACKAGE $	BONUS $	MOTOR VEHICLE $	MOVEMENT IN LEAVE PROVISIONS* $	OTHER $	PENSION $	OPTIONS $	TOTAL $
I Wilton	395,715	59,357	–	17,358	999	–	87,105	560,534
W J Poynton	375,900	26,313	–	24,901	999	–	77,549	505,662
A D Murdoch	375,000	63,750	–	34,866	999	–	47,008	521,623
R B Gallaway	466,425	93,284	9,888	–	21,369	35,080	–	626,046
S J VanRoekel	294,630	44,194	6,979	–	16,065	6,455	–	368,323
R E Frost	232,220	36,284	6,598	–	22,068	21,085	–	318,255
M S Mitchell	237,301	35,595	9,821	–	19,541	24,385	–	326,643
Total	2,377,191	358,777	33,286	77,125	82,040	87,005	211,662	3,227,086

* Movement in annual and long service provisions

NOTE 37. DIRECTOR AND EXECUTIVE DISCLOSURES (CONTINUED)

REMUNERATION OF DIRECTORS AND EXECUTIVES (CONTINUED)

Service agreements

Remuneration and other terms of employment for the Managing Director, and the Chief Executive Officer of Ridley Inc. are formalised in service agreements. Each of these agreements provide for the provision of performance related bonuses, and other benefits, and participation, when eligible, in the Ridley Corporation Limited Incentive Option Plan and the Ridley Inc. Stock Option Plan. Other major provisions of the agreements relating to remuneration are set out below:

M P Bickford-Smith, Managing Director

- Term of agreement – five years ending November 2007
- Base salary, inclusive of superannuation, for the year ended 30 June 2004 of $529,935 to be reviewed annually by the Remuneration 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 gross misconduct of $1,000,000
- Entitlement to 500,000 options under the Ridley Incentive Option Plan annually subject to shareholder approval
- Incentive bonuses up to 100% of base salary based on the achievement of certain agreed KPIs as approved by the Board

R B Gallaway, President and Chief Executive Officer, Ridley Inc.

- Term of agreement – five years ending 31 August 2004. Subsequent to year end this agreement has been extended for one year on the same terms and conditions
- Base salary, for the year ended 30 June 2004 of US$321,367 to be reviewed annually by the Ridley Inc. Board of Directors
- Payment of termination benefit on early termination by the employer, other than for gross misconduct, equal to the base salary for the remaining term of the agreement
- Motor vehicle allowance
- Pension and medical benefits
- Incentive bonuses based on the achievement of certain agreed KPIs as approved by the Ridley Inc. Board
- Participation in the Ridley Inc. Stock Option Plan

Share-based compensation – options

The terms and conditions of each grant of options during the year to directors and specified executives affecting remuneration in this or future reporting periods are as follows:

GRANT DATE	EXPIRY DATE	NUMBER	EXERCISE PRICE	VALUE PER OPTION AT GRANT DATE	DATE EXERCISABLE
27 October 2003	27 October 2008	166,666	1.54	0.295	27 October 2005
27 October 2003	27 October 2008	166,667	1.61	0.275	27 October 2006
27 October 2003	27 October 2008	166,667	1.69	0.255	27 October 2007
12 January 2004	12 January 2009	316,665	1.36	0.302	12 January 2006
12 January 2004	12 January 2009	316,666	1.42	0.284	12 January 2007
12 January 2004	12 January 2009	316,668	1.50	0.262	12 January 2008

Details of the operation and purpose of the option plan is set out in note 35.

EQUITY INSTRUMENT DISCLOSURES RELATING TO DIRECTORS AND EXECUTIVES

Options provided as remuneration

Details of options over ordinary shares in the Company provided as remuneration to each director of Ridley Corporation Limited and each of the seven specified executives of the consolidated entity are set out below. When exercisable, each option is convertible into one ordinary share of Ridley Corporation Limited. Further information on the options is set out in note 35.

NOTE 37. DIRECTOR AND EXECUTIVE DISCLOSURES (CONTINUED)

EQUITY INSTRUMENT DISCLOSURES RELATING TO DIRECTORS AND EXECUTIVES (CONTINUED)

Options provided as remuneration (continued)

NAME	NUMBER OF OPTIONS GRANTED DURING THE YEAR	NUMBER OF OPTIONS VESTED DURING THE YEAR
Directors of Ridley Corporation Limited		
M P Bickford-Smith	500,000	–
Specified executives of the consolidated entity		
I Wilton	400,000	275,000
W J Poynton	200,000	250,000
A D Murdoch	350,000	–

Shares provided on exercise of remuneration options

Details of ordinary shares in the Company provided as a result of the exercise of remuneration options to each director of Ridley Corporation Limited and each of the seven specified executives of the consolidated entity are set out below:

NAME	EXERCISE PRICE OF OPTIONS	DATE OF EXERCISE OF OPTIONS	NUMBER OF ORDINARY SHARES ISSUED ON EXERCISE OF OPTIONS DURING THE YEAR
Directors of Ridley Corporation Limited			
M P Bickford-Smith	–	–	–
Specified executives of the consolidated entity			
I Wilton	0.74	25 February 2004	275,000
W J Poynton	0.66	8 June 2004	250,000

No amounts are unpaid on any shares issued on the exercise of options.

Option holdings

The numbers of options over ordinary shares in the Company held during the financial year by each director of Ridley Corporation Limited and each of the seven specified executives of the consolidated entity, including their personally related entities, are set out below:

NAME	BALANCE AT THE START OF THE YEAR	GRANTED DURING THE YEAR AS REMUNERATION	EXERCISED DURING THE YEAR	BALANCE AT THE END OF THE YEAR	VESTED AND EXERCISABLE AT THE END OF THE YEAR
Directors of Ridley Corporation Limited					
M P Bickford-Smith	1,500,000	500,000	–	2,000,000	500,000
Specified executives of the consolidated entity					
I Wilton	950,000	400,000	275,000	1,075,000	–
W J Poynton	750,000	200,000	250,000	700,000	–
A D Murdoch	250,000	350,000	–	600,000	–

No options are vested and unexercisable at the end of the year.

Ridley Inc. option holdings

Directors of Ridley Corporation Limited					
J S Keniry	42,000	–	–	42,000	42,000
Specified executives of the consolidated entity					
R B Gallaway	56,000	–	–	56,000	56,000
S J VanRoekel	20,000	–	–	20,000	20,000
R E Frost	27,000	–	–	27,000	27,000
M S Mitchell	20,000	–	–	20,000	20,000

NOTE 37. DIRECTOR AND EXECUTIVE DISCLOSURES (CONTINUED)

EQUITY INSTRUMENT DISCLOSURES RELATING TO DIRECTORS AND EXECUTIVES (CONTINUED)

Share holdings

The numbers of shares in the Company held during the financial year by each director of Ridley Corporation Limited and each of the seven specified executives of the consolidated entity, including their personally-related entities, are set out below:

NAME	BALANCE AT THE START OF THE YEAR	RECEIVED DURING THE YEAR ON THE EXERCISE	OTHER CHANGES DURING THE YEAR	BALANCE AT THE END OF THE YEAR
Directors of Ridley Corporation Limited				
J S Keniry	567,123	–	(63,090)	504,033
M P Bickford-Smith	62,514	–	9,469	71,983
E B Bryan	14,246	–	3,033	17,279
R J Lee	50,000	–	3,033	53,033
R J Lotze	100,365	–	–	100,365
D G McGauchie	170,000	–	–	170,000
A L Vizard	6,257	–	4,734	10,991
Specified executives of the consolidated entity				
I Wilton	44,830	275,000	(256,880)	62,950
W J Poynton	15,714	250,000	(240,409)	25,305
A D Murdoch	544	–	3,620	4,164
R B Gallaway	10,000	–	–	10,000
Ridley Inc. share holdings				
Directors of Ridley Corporation Limited				
J S Keniry	800	–	–	800
Specified executives of the consolidated entity				
R B Gallaway	10,000	–	–	10,000
M S Mitchell	500	–	–	500

Loans to directors and executives

Aggregate of loans made to directors of Ridley Corporation Limited and the seven specified executives of the consolidated entity including their personally-related entities, are set below:

NAME	BALANCE AT THE START OF THE YEAR $	BALANCE AT THE END OF THE YEAR $	NUMBER IN GROUP AT THE END OF THE YEAR
Directors of Ridley Corporation Limited	Nil	Nil	Nil
Specific executives of the consolidated entity	4,386	5,803	2

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

OTHER TRANSACTIONS WITH DIRECTORS AND SPECIFIED EXECUTIVES

Directors of Ridley Corporation Limited

Mr D G McGauchie, a director, purchased stockfeed on terms and conditions no more favourable than other comparable customers. Purchases totalled $429,905 (2003: $556,000) during the year and $69,969 (2003: $122,000) was outstanding at 30 June 2004.

NOTE 38. INDUSTRY AND GEOGRAPHICAL DATA

INDUSTRY SEGMENT DATA
2004

INDUSTRY SEGMENTS	SALT $'000	STOCKFEED AND RURAL PRODUCTS AGRIPRODUCTS $'000	STOCKFEED AND RURAL PRODUCTS CANADA FEEDS $'000	STOCKFEED AND RURAL PRODUCTS US FEEDS $'000	DISCONTINUED OPERATIONS COTSWOLD $'000	UNALLOCATED $'000	ELIMINATIONS $'000	TOTAL $'000
Sales – External	66,228	440,897	177,927	477,500	16,796	–		1,179,348
Sales – Internal	1,608	–	4,508	3,206	–	–	(9,322)	–
Total sales revenue	**67,836**	**440,897**	**182,435**	**480,706**	**16,796**	**–**	**(9,322)**	**1,179,348**
Share of profit of associates	5,208	–	–	–	–	–	–	5,208
Interest on customer loans	–	–	27	551	8	–	–	586
Other revenue	259	446	393	501	5,190	318	–	7,107
Total revenue	**73,303**	**441,343**	**182,855**	**481,758**	**21,994**	**318**	**(9,322)**	**1,192,249**
Result from operations	**19,567**	**7,001**	**7,233**	**26,070**	**(1,922)**	**(10,671)**	**–**	**47,278**
Significant items	–	–	–	(6,753)	–	–	–	(6,753)
Interest on customer loans	–	–	27	551	8	–	–	586
Segment result including interest on customer loans	19,567	7,001	7,260	19,868	(1,914)	(10,671)	–	**41,111**
Net finance costs	–	–	–	–	–	–	–	(11,306)
Profit from ordinary activities before income tax								**29,805**
Income tax expense								(9,093)
Net profit								**20,712**
Segment assets	194,414	158,130	95,860	193,541	3,451	12,094	–	657,490
Investments in associates	44,722	–	–	–	–	–	–	44,722
Acquisitions of fixed assets, intangibles and other non-current segment assets	4,532	4,684	2,112	13,144	37	197	–	24,706
Segment liabilities	8,581	63,638	19,977	35,050	2,128	159,495	–	288,869
Depreciation and amortisation expense	2,196	6,890	3,292	10,669	62	1,347	–	24,456
Other non-cash expenses	–	–	–	6,657	–	–	–	6,657

NOTE 38. INDUSTRY AND GEOGRAPHICAL DATA (CONTINUED)

INDUSTRY SEGMENT DATA
2003

INDUSTRY SEGMENTS	SALT $'000	STOCKFEED AND RURAL PRODUCTS AGRIPRODUCTS $'000	CANADA FEEDS $'000	US FEEDS $'000	DISCONTINUED OPERATIONS COTSWOLD $'000	UNALLOCATED $'000	ELIMINATIONS $'000	TOTAL $'000
Sales – External	72,508	556,235	212,673	550,604	18,868	–	–	1,410,888
Sales – Internal	2,313	–	5,530	3,707	–	–	(11,550)	–
Total sales revenue	**74,821**	**556,235**	**218,203**	**554,311**	**18,868**	**–**	**(11,550)**	**1,410,888**
Share of profit of associates	4,677	–	–	–	–	–	–	4,677
Interest on customer loans	–	–	85	872	22	–	–	979
Other revenue	2,146	426	95	1,749	–	213	–	4,629
Total revenue	**81,644**	**556,661**	**218,383**	**556,932**	**18,890**	**213**	**(11,550)**	**1,421,173**
Result from operations	**21,951**	**20,201**	**11,124**	**39,440**	**(9,686)**	**(11,686)**	**–**	**71,344**
Asset impairment on discontinued operations	–	–	–	–	(11,348)	–	–	(11,348)
Interest on customer loans	–	–	85	872	22	–	–	979
Segment result including interest on customer loans	21,951	20,201	11,209	40,312	(21,012)	(11,686)	–	**60,975**
Net finance costs								(14,025)
Profit from ordinary activities before income tax								**46,950**
Income tax expense								(11,698)
Net profit								**35,252**
Segment assets	187,666	173,485	103,004	195,911	8,600	34,109	–	702,775
Investments in associates	45,625	–	–	–	–	–	–	45,625
Acquisitions of fixed assets, intangibles and other non-current segment assets	2,976	5,019	7,385	7,965	54	76	–	23,475
Segment liabilities	7,331	70,320	20,116	34,650	1,821	203,319	–	337,557
Depreciation and amortisation expense	2,627	7,007	3,654	11,852	2,033	1,968	–	29,141
Other non-cash expenses	–	–	–	–	11,348	–	–	11,348

GEOGRAPHIC SEGMENTS

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

GEOGRAPHIC SEGMENTS	AUSTRALASIA		NORTH AMERICA		EUROPEAN UNION		ELIMINATION		CONSOLIDATED	
NAME	**2004 $'000**	2003 $'000	**2004 $'000**	2003 $'000	**2004 $'000**	2003 $'000	**2004 $'000**	2003 $'000	**2004 $'000**	2003 $'000
External sales	**507,125**	628,743	**672,223**	782,145	**–**	–	**–**	–	**1,179,348**	1,410,888
Acquisitions of fixed assets, intangibles and other non-current assets	**9,413**	8,071	**15,293**	15,404	**–**	–	**–**	–	**24,706**	23,475
Segment assets	**394,978**	418,315	**295,415**	317,309	**1,887**	1,941	**(34,790)**	(34,790)	**657,490**	702,775

NOTE 38. INDUSTRY AND GEOGRAPHICAL DATA (CONTINUED)

INDUSTRY SEGMENTS

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

Stockfeed and Rural Products

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

Salt

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

Cotswold discontinued operations

Develops and sells swine genetics.

The basis of intersegmental pricing is market pricing.

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

NOTE 39(i). RECONCILIATION OF NET CASH INFLOW FROM OPERATING ACTIVITIES TO OPERATING PROFIT AFTER INCOME TAX

	CONSOLIDATED		PARENT ENTITY	
	2004 $'000	2003 $'000	**2004 $'000**	2003 $'000
Net cash inflow from operating activities	**56,102**	62,748	**16,576**	17,101
Depreciation and amortisation	**(24,456)**	(29,141)	**(632)**	(1,065)
Net profit (loss) on sale of non-current assets	**391**	(773)	**(6)**	–
Other	**(29)**	476	**35**	(50)
Significant items	**(6,753)**	(11,348)	**–**	–
Gain on disposal of Cotswold	**2,280**	–	**–**	–
Dividends in excess of equity profits	**(903)**	(865)	**–**	–
Change in operating assets and liabilities, net of effects from purchase of controlled entities:				
Increase/(decrease) in trade debtors and doubtful debt provision	**(9,052)**	(17,839)	**–**	–
Increase/(decrease) in inventories	**(835)**	1,028	**–**	–
Increase/(decrease) in deferred tax assets	**(4,819)**	4,473	**(742)**	(33)
Increase/(decrease) in other debtors	**(906)**	(160)	**17**	(161)
Increase/(decrease) in prepayments	**612**	(88)	**1**	53
Decrease in trade creditors	**6,647**	26,661	**414**	1,219
Decrease/(increase) in employee provisions	**31**	(1,448)	**(75)**	(193)
Increase in other provisions	**(90)**	–	**(90)**	(88)
Decrease/(increase) in provision for income tax payable	**(2,744)**	(1,676)	**1,129**	(1,129)
Decrease in provision for income tax	**1,449**	–	**1,457**	–
Decrease/(increase) in provision for deferred income tax	**3,787**	3,204	**(3,242)**	–
Operating profit after income tax but before outside equity interest	**20,712**	35,252	**14,842**	15,654

	CONSOLIDATED		PARENT ENTITY	
	2004 $'000	2003 $'000	**2004 $'000**	2003 $'000

NOTE 39 (ii). RECONCILIATION OF CASH

For the purpose of the statements of cash flows, cash includes cash on hand and at bank and short-term deposits at call net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the statements of financial position as follows:

Cash	**11,006**	18,314	**2,030**	2,265
Short-term deposits	**557**	507	**–**	–
	11,563	18,821	**2,030**	2,265
Bank overdraft	**(3,663)**	–	**–**	–
Total cash	**7,900**	18,821	**2,030**	2,265

NOTE 40. NON-CASH FINANCING AND INVESTING ACTIVITIES

During the year dividends of $3,274,000 (2003: $1,413,000) were satisfied by the issue of 2,360,398 (2003: 1,034,165) shares under the Dividend Reinvestment Plan.

NOTE 41. FINANCE FACILITIES

TERM LOAN FACILITIES

Global finance facility

In October 2001, the consolidated entity entered into a four-year global facility agreement with a consortium of Australian and international banks. During the year the facility was extended for two years to October 2007. The facility consists of revolving and non-revolving cash advances.

Limits to cash advances

CURRENCY	REVOLVING LIMIT	UTILISED	NON-REVOLVING LIMIT	UTILISED	TOTAL LIMIT	TOTAL UTILISED
2004						
Australian Dollars	A$70m	A$25m	A$50m	A$50m	A$120m	A$75m
United States Dollars	US$38m	US$9m	US$12m [a]	US$12m	US$50m	US$21m
Canadian Dollars	C$36m	C$16m	C$6m [a]	C$6m	C$42m	C$22m
2003						
Australian Dollars	A$70m	A$35m	A$50m	A$50m	A$120m	A$85m
United States Dollars	US$38m	US$19.7m	US$18m [a]	US$18m	US$56m	US$37.7m
Canadian Dollars	C$36m	C$10m	C$10m [a]	C$10m	C$46m	C$20m

Repayments

CURRENCY	REVOLVING	NON-REVOLVING
Australian Dollars	October 2007	October 2007
United States Dollars	October 2007	October 2005 [a]
Canadian Dollars	October 2007	October 2005 [a]

a. The US and Canadian non-revolving facilities are repayable in equal quarterly installments of US$2 million and C$1 million respectively, with the final repayment due October 2005.

NOTE 41. FINANCE FACILITIES (CONTINUED)

SHORT TERM CREDIT FACILITIES

Australian dollar facility

The consolidated entity has a $6.5 million (2003: $6.5 million) net overdraft facility, subject to annual review. At 30 June 2004 and 2003 this facility was unutilised.

United States dollar facilities

The consolidated entity has a US$1.1 million (2003: US$1.1 million) loan facility subject to annual review. At 30 June 2004 US$0.7 million (2003: Nil) of this was utilised.

The consolidated entity has a US$2.0 million (2003: US$1.5 million) open line of credit subject to annual review. At 30 June 2004 Nil (2003 US$0.5 million) of this facility was utilised.

Canadian dollar facility

The consolidated entity has a C$5.0 million (2003: C$5.0 million) overdraft facility, subject to annual review. At 30 June 2004 C$3.4 million was utilised (2003: C$2.0 million).

NOTE 42. EARNINGS PER SHARE

	CONSOLIDATED 2004	CONSOLIDATED 2003
Before significant items (net of tax credit)		
Basic earnings per share	**7.7c**	14.0c
Diluted earnings per share	**7.6c**	13.9c
After significant items		
Basic earnings per share	**6.6c**	11.8c
Diluted earnings per share	**6.6c**	11.7c
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share.	**267,962,509**	265,922,683
Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted earnings per share.	**268,893,822**	267,202,797

	2004 EARNINGS PER SHARE		2003 EARNINGS PER SHARE	
	BASIC $'000	**DILUTED $'000**	BASIC $'000	DILUTED $'000
Profit from ordinary activities before significant items	**20,490**	**20,490**	37,233	37,233
Significant items after tax and outside equity interest	**(2,790)**	**(2,790)**	(5,935)	(5,935)
Profit attributable to members	**17,700**	**17,700**	31,298	31,298
Earnings used in calculating earnings per share	**17,700**	**17,700**	31,298	31,298

	BASIC	**DILUTED**	BASIC	DILUTED
Weighted average number of shares used as the denominator				
Weighted average number of shares on issue	**267,962,509**	**267,962,509**	265,922,683	265,922,683
Plus dilutive options below share price	**–**	**931,313**	–	1,280,114
Weighted average number of shares used as the denominator in calculating basic and diluted earnings per share	**267,962,509**	**268,893,822**	265,922,683	267,202,797

NOTE 42. EARNINGS PER SHARE (CONTINUED)

OPTIONS

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

2004			2003		
NUMBER	PRICE	EXPIRE	NUMBER	PRICE	EXPIRE
466,666	**$1.47**	**26 February 2007**	466,666	$1.47	26 February 2007
166,667	**$1.50**	**28 November 2007**	166,667	$1.50	28 November 2007
166,667	**$1.57**	**28 November 2007**	166,667	$1.57	28 November 2007
166,666	**$1.65**	**28 November 2007**	166,666	$1.65	28 November 2007
83,333	**$1.70**	**6 January 2008**	83,333	$1.70	6 January 2008
83,333	**$1.79**	**6 January 2008**	83,333	$1.79	6 January 2008
83,334	**$1.87**	**6 January 2008**	83,334	$1.87	6 January 2008
775,006	**$1.63**	**31 January 2008**	775,006	$1.63	31 January 2008
774,997	**$1.71**	**31 January 2008**	774,997	$1.71	31 January 2008
774,997	**$1.80**	**31 January 2008**	774,997	$1.80	31 January 2008
166,666	**$1.54**	**27 October 2008**			
166,667	**$1.61**	**27 October 2008**			
166,667	**$1.69**	**27 October 2008**			
466,667	**$1.40**	**26 February 2007**			
850,000	**$1.42**	**12 January 2009**			
850,004	**$1.50**	**12 January 2009**			

NOTE 43. BUSINESSES AND CONTROLLED ENTITIES ACQUIRED

The consolidated entity acquired 100% of the assets and business of Heartland Inc. a stockfeed manufacturer, on 11 August 2003. The previous year, the consolidated entity acquired 100% of Shamrock Feeds Ltd, a stockfeed manufacturer, on 1 August 2002.

	FAIR VALUE OF ASSETS ACQUIRED	
	2004 $'000	2003 $'000
CURRENT ASSETS		
Receivables	**595**	712
Inventories	**1,744**	319
Other	**3**	14
NON-CURRENT ASSETS		
Property, plant and equipment	**4,804**	1,810
CURRENT LIABILITIES		
Payables	**(1,201)**	(726)
Provisions	**–**	(136)
Other	**–**	(34)
NON-CURRENT LIABILITIES		
Provisions	**–**	(261)
NET ASSETS ACQUIRED	**5,945**	1,698
CONSIDERATION		
Cash	**6,811**	3,602
Deferred	**–**	501
Goodwill acquired	**866**	2,405
Outflow of cash to acquire businesses and controlled entities net of cash acquired	**6,811**	3,602

NOTE 44. INVESTMENT IN CONTROLLED ENTITIES

NAME OF ENTITY	COUNTRY OF INCORPORATION	CLASS OF SHARES	EQUITY OF PARENT ENTITY 2004	2003
Ridley Inc. and its controlled entities	Canada	Ordinary	**69%**	70%
Ridley Manitoba Limited	Canada	Ordinary	**69%**	70%
Feed-Rite, Inc.	USA	Ordinary	**69%**	70%
Ridley Limited Partnership and its controlled entity	Canada	Ordinary	**69%**	70%
Ridley Nova Scotia LLC and its controlled entity	USA	Ordinary	**69%**	70%
HFI Finance LLC	USA	Ordinary	**69%**	70%
Cotswold Holdings ULC and its controlled entity	USA	Ordinary	**69%**	70%
Ridley UK Holdings Limited	UK	Ordinary	**69%**	70%
Ridley US Holding Inc. and its controlled entities	USA	Ordinary	**69%**	70%
Hubbard Feeds Inc. and its controlled entities	USA	Ordinary	**69%**	70%
Hubbard Feeds Management Company	USA	Ordinary	**69%**	70%
PBH Transportation Company	USA	Ordinary	**69%**	70%
Ridley Block Operations Inc	USA	Ordinary	**69%**	70%
McCauley Bros. Inc.*	USA	Ordinary	**35%**	36%
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%
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%
Feed-Rite Inc	Canada	Ordinary	**100%**	100%
Ridley M I Pty Limited	Australia	Ordinary	**100%**	100%
Ridley Argentina S.A.	Argentina	Ordinary	**100%**	100%

* Ridley Corporation Limited holds 69% of the voting rights of Ridley Inc., which holds 51% of the voting rights of McCauley Bros Inc.

NOTE 45. INVESTMENTS IN ASSOCIATES

	PRINCIPAL ACTIVITY	COUNTRY OF INCORPORATION	OWNERSHIP INTEREST 2004	OWNERSHIP INTEREST 2003	CARRYING AMOUNT 2004 $'000	CARRYING AMOUNT 2003 $'000
CONSOLIDATED						
Salpak Pty Ltd	Salt Marketing	Australia	**49%**	49%	**14,064**	14,561
Western Salt Refinery Pty Ltd	Salt Production and Distribution	Australia	**50%**	50%	**1,283**	1,345
Dominion Salt Limited and Dominion Salt (N.I.) Limited	Salt Production and Distribution	New Zealand	**50%**	50%	**27,048**	27,274
Cerebos-Skellerup Limited	Salt Marketing	New Zealand	**49%**	49%	**2,327**	2,445
Total					**44,722**	45,625

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

MOVEMENTS IN CARRYING AMOUNTS OF INVESTMENTS IN ASSOCIATES

Summary of the performance and financial position of the associates is as follows:

	2004 $'000	2003 $'000
Carrying amount at the beginning of the financial year	**45,625**	46,541
Share of operating profits after income tax	**5,208**	4,677
Dividends received/receivable	**(6,111)**	(5,593)
Carrying amount at the end of the financial year	**44,722**	45,625
Operating profits before income tax	**8,120**	7,286
Income tax expense	**2,912**	2,609
Operating profits after income tax	**5,208**	4,677
Less: dividends received/receivable	**6,111**	5,593
	(903)	(916)
Accumulated losses attributable to associates at the beginning of the financial year	**(8,489)**	(7,573)
Accumulated losses attributable to associates at the end of the financial year	**(9,392)**	(8,489)
Consolidated entity's share:		
Assets	**42,694**	43,414
Liabilities	**4,541**	4,625
Contingent liabilities	**42**	41
Operating lease commitments	**54**	60
Capital expenditure commitment	**47**	45

There are no material reserves of the associated companies.

	CONSOLIDATED		PARENT ENTITY	
	2004 $'000	2003 $'000	**2004 $'000**	2003 $'000

NOTE 46. INTERESTS IN JOINT VENTURES

JOINT VENTURE OPERATIONS

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

	2004 $'000	2003 $'000	**2004 $'000**	2003 $'000
Current assets				
Cash	**133**	345	**–**	–
Receivables	**1,036**	971	**–**	–
Inventories	**82**	63	**–**	–
Total current assets	**1,251**	1,379	**–**	–
Non-current assets				
Plant and equipment – at cost	**128**	125	**–**	–
Less: Accumulated depreciation	**76**	62	**–**	–
Total non-current assets	**52**	63	**–**	–
Share of assets employed in joint venture	**1,303**	1,442	**–**	–

The consolidated entity's share of operating lease commitments is $39,000 (2003: $43,000)

NOTE 47. POST BALANCE DATE EVENTS

The business and assets of Sweetlix LLC a livestock feed supplement business were acquired for US$16.7 million on 30 July 2004. The fair value allocation has not been completed. Tangible assets will be more than 65% of the purchase price. No other matters or circumstances have arisen since 30 June 2004 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
FOR THE YEAR ENDED 30 JUNE 2004

The directors declare that the financial statements and notes set out on pages 27 to 71.

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

b. give a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2004 and of their performance, as represented by the results of their operations and their cash flows, for the financial year ended on that date.

In the directors' opinion:

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

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

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

J S KENIRY DIRECTOR

R J LOTZE DIRECTOR
Sydney, 30 August 2004

INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF RIDLEY CORPORATION LIMITED

AUDIT OPINION

In our opinion, the financial report of Ridley Corporation Limited:

– gives a true and fair view, as required by the Corporations Act 2001 in Australia, of the financial position of Ridley Corporation Limited and the Ridley Corporation Group (defined below) as at 30 June 2004, and of their performance for the year ended on that date; and
– is presented in accordance with the Corporations Act 2001, Accounting Standards and other mandatory financial reporting requirements in Australia, and the Corporations Regulations 2001.

This opinion must be read in conjunction with the rest of our audit report.

SCOPE

The financial report and directors' responsibility

The financial report comprises the statements of financial position, statements of financial performance, statements of cash flows, accompanying notes to the financial statements, and the directors' declaration for both Ridley Corporation Limited (the Company) and the Ridley Corporation Group (the consolidated entity), for the year ended 30 June 2004. The consolidated entity comprises both the Company and the entities it controlled during that year.

The directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the Company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

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

We formed our audit opinion on the basis of these procedures, which included:

– examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
– assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

When this audit report is included in an Annual Report, our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

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

INDEPENDENCE

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

PRICEWATERHOUSECOOPERS

W H B SEATON
PARTNER
Sydney, 30 August 2004

SHAREHOLDER INFORMATION
AS AT 30 AUGUST 2004

	NUMBER OF HOLDERS	NUMBER OF SECURITIES	% HELD BY 20 LARGEST HOLDERS
HOLDINGS OF SECURITIES – ORDINARY SHARES			
Each fully paid	11,075	269,646,724	64.44

	NUMBER OF ORDINARY SHAREHOLDERS	NUMBER OF ORDINARY SHARES
DISTRIBUTION OF HOLDINGS – ORDINARY SHARES		
1 to 1,000*	1,728	792,486
1,001 to 5,000	4,757	13,907,937
5,001 to 10,000	2,243	16,225,423
10,001 to 100,000	2,250	50,360,612
100,001 and over	97	188,360,266

* There are 786 holders of less than a marketable parcel of shares

NAME OF SHAREHOLDER	NUMBER OF FULLY PAID ORDINARY SHARES	% OF FULLY PAID ORDINARY SHARES
TWENTY LARGEST FULLY PAID SHAREHOLDERS		
National Nominees Limited	33,225,013	12.32
RBC Global Services Australia Nominees Pty Limited (BKCUST A/C)	21,884,288	8.12
J P Morgan Nominees Australia Limited	20,680,166	7.67
Westpac Custodian Nominees Limited	20,366,588	7.55
Permanent Trustee Australia Limited (HUN0002 A/C)	11,242,220	4.17
RBC Global Services Australia Nominees Pty Limited (PIPOOLED A/C)	9,892,071	3.67
AMP Life Limited	9,752,931	3.62
RBC Global Services Australia Nominees Pty Limited (PIIC A/C)	6,883,505	2.55
IOOF Investment Management Limited	6,848,217	2.54
Permanent Trustee Australia Limited (HUN0006 A/C)	4,757,922	1.76
Queensland Investment Corporation	4,445,205	1.65
Permanent Trustee Australia Limited (HUN0004 A/C)	4,368,098	1.62
Cogent Nominees Pty Limited	4,315,334	1.60
Cogent Nominees Pty Limited (SMP Accounts)	4,220,349	1.57
Citicorp Nominees Pty Limited	2,865,700	1.06
Triguboff Management Pty Ltd	2,456,356	0.91
Sandhurst Trustees Ltd (SISF A/C)	2,083,315	0.77
Tower Managed Funds Limited (TOWER POOL AUS SHARES A/C)	1,454,325	0.54
ANZ Nominees Limited	1,258,334	0.47
Victorian Workcover Authority	757,054	0.28
	173,756,991	64.44

SUBSTANTIAL SHAREHOLDERS

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

Investors Mutual Limited	10.77%
Perennial Value Management Limited	8.46%
Hunter Hall Investment Management Limited	7.55%
Perpetual Trustees Australia Limited	6.17%
AMP Limited	5.97%
Lazard Asset Management	5.32%

DIRECTORS' HOLDINGS

On 30 August 2004 the directors of Ridley Corporation Limited had an interest in the following shares and employee options of the Company:

	FULLY PAID ORDINARY SHARES	RIDLEY EMPLOYEE OPTIONS	RIDLEY INC. SHARES	RIDLEY INC. EMPLOYEE OPTIONS
J S Keniry	505,986	–	800	42,000
E B Bryan	18,060	–	–	–
R J Lee	53,814	–	–	–
R J Lotze	100,365	–	–	–
D G McGauchie	170,000	–	–	–
M P Bickford-Smith	72,765	2,000,000	–	–
A L Vizard	11,382	–	–	–

VOTING RIGHTS

As at 30 August 2004 the number of holders of fully paid ordinary shares with full voting rights was 11,075. On a show of hands, every person present who is a member of a representative or 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 STOCK EXCHANGE

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

TORONTO STOCK EXCHANGE

Ridley Inc. (69% owned by Ridley Corporation Limited) is listed on the Toronto Stock Exchange and trades under RCL.

RIDLEY WEBSITE – www.ridley.com.au

The website provides access to all announcements issued to the Stock Exchange, copies of annual reports and shareholder information.

SHARE REGISTRY

Computershare Investor Services Pty Limited
Level 3, 60 Carrington Street, Sydney NSW 2000

All Correspondence to:
GPO Box 2975, Melbourne VIC 3001
Australia

Telephone (within Australia): 1300 85 5080
Facsimile (within Australia): 03 9611 5710

Telephone (outside Australia): +61 3 9611 5970
Facsimile (outside Australia): +61 3 9611 5710

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

CORPORATE DIRECTORY

RIDLEY CORPORATION LIMITED
ACN 006 708 765

Corporate and registered office
Level 10, 12 Castlereagh Street, Sydney NSW 2000
Australia

Telephone: 02 8227 6100
Facsimile: 02 8227 6002
Email: secretary@ridley.com.au

Chairman J S Keniry
Managing Director and CEO M P Bickford-Smith
Chief Financial Officer I Wilton
Company Secretary G P Watts
Auditors PricewaterhouseCoopers
Solicitors Allens Arthur Robinson

RIDLEY AGRIPRODUCTS PTY LIMITED
ACN 006 544 145

Head office
70-80 Bald Hill Road, Pakenham VIC 3710
Australia

Telephone: 03 5941 1633
Facsimile: 03 5941 3459

Chief Executive Officer A D Murdoch

CHEETHAM SALT LIMITED
ACN 006 926 487

Head office
35 Lowe Street, Corio VIC 3214
Australia

Telephone: 03 5275 8000
Facsimile: 03 5274 1213

Chief Executive Officer W J Poynton

RIDLEY INC.
Registered office
17 Speers Road, Winnipeg Manitoba
CANADA R3l2t4

Telephone: 1 (204) 956 1717
Facsimile: 1 (204) 956 1982

Operations office
424 N. Riverfront Drive, Mankato MN 56002-8500
USA

Telephone: 1 (507) 388 9400
Facsimile: 1 (507) 388 9453

President and Chief Executive Officer R B Gallaway

DESIGNED AND PRODUCED BY BUSINESSWRITERS

Unlike previous years, when we invested significant resources in photography and in developing themed reporting on various aspects of our business, this year we have changed the format of our annual report to coincide with the relaunch of our website (www.ridley.com.au). We intend to use our site as the principal means of up-to-date communication with our shareholders and the investment community. It will carry details of corporate governance policies, financial results and presentations and shareholder information, as well as providing links to Ridley businesses.

As a small step towards achieving our sustainability responsibilities, this report is printed on an economical and environmentally responsible paper made with pulp sourced from certified, sustainable, well managed forests. It is elemental chlorine free, acid free, recyclable, biodegradable and produced by a company certified under ISO14001 environmental management systems and registered under the EU Eco-management and Audit Scheme EMAS.