



7 May 2008

**RIDLEY CORPORATION APPOINTS MANAGING DIRECTOR,  
ANNOUNCES OUTCOMES OF STRATEGIC REVIEW**

Ridley Corporation Limited (Ridley) today announced the appointment of Mr John Murray as Managing Director and Chief Executive Officer. Also today Ridley announced the outcomes of the strategic review commenced in February 2008.

**Appointment of MD and CEO**

Ridley is pleased to advise the appointment of Mr John Murray as the company's new Managing Director and Chief Executive Officer, effective 7 May 2008. John Murray joined Ridley in December 2005 as Chief Executive Officer of Cheetham Salt Limited (Cheetham) and remained in this role until April this year when he was appointed to also oversee Ridley's other Australian business, Ridley AgriProducts. During 2005 John was Group General Manager International Operations with Elders Limited which he joined after nine years as Managing Director of AusBulk Limited.

Commenting on the appointment of Mr Murray, the Chairman of Ridley, Dr John Keniry, said the board is delighted to announce the appointment of an internal candidate following a comprehensive global search process which considered both internal and external candidates.

"Mr Murray is a seasoned Chief Executive Officer with extensive experience in agribusiness and manufacturing, and brings a strong track record in operational leadership and change management," he said.

Details of Mr Murray's remuneration package are attached.

The board is also pleased to announce that Mr Ian Wilton, formerly the company's Chief Financial Officer, has been appointed as Finance Director and as an executive director.

Dr Keniry said: "The board recognises the important contribution to change and strategic development made by Ian over recent months whilst filling the Acting Chief Executive Officer role.

"These appointments complete the transformation of the company's leadership at both board and management level following several changes to the board earlier this year," Dr Keniry said.



### **Outcome of strategic review**

In February 2008 Ridley announced it would undertake a strategic review.

This review has been conducted by Ridley management with the assistance of Gresham Advisory Partners and is now substantially complete.

The key recommendations and outcomes arising from the review are:

- Initiating the sale of the company's 69% owned Canadian subsidiary Ridley Inc;
- A strategy to unlock the significant unrealised value in Ridley's land holdings. An initial independent external valuation of certain larger land holdings is in excess of \$80 million; and
- Addressing underperforming business units within the Ridley AgriProducts division.

Commenting on the announcement of the strategic review, Dr Keniry said: "Ridley is committed to generating increasing shareholder returns. We have today announced some of the major initiatives that we will be pursuing. This will be accompanied by a renewed focus on optimising returns from the operating businesses."

### **Sale of Ridley Inc**

Following a detailed review, a decision has been taken to pursue a sale of the company's 69% owned Canadian listed subsidiary, Ridley Inc. The sale is subject to receiving satisfactory offers. While the Company believes there are attractive industry rationalisation opportunities available for Ridley Inc, which have the potential to create shareholder value, it is difficult for Ridley Corporation to support and facilitate the pursuit of these opportunities in a funding and strategic sense.

Gresham Advisory Partners and CIBC World Markets have been appointed to advise on the sale process which is now underway.

### **Realisation of land holdings**

Through Cheetham, Ridley owns significant land holdings located in close proximity to urban areas in South Australia, Victoria and Queensland. These land holdings are considered to represent attractive residential and commercial land development opportunities. While these land holdings are currently used for salt production to varying extents, this salt production can be relocated to less valuable alternative sites without interrupting supply.



Property services company Savills has provided an indicative valuation of certain of Cheetham's larger land holdings. The indicative valuation is in excess of \$80 million which equates to 27 cents per Ridley share. This indicative valuation includes Ridley's estimate of costs for moving the relevant salt production where necessary to alternative land and salt fields (currently owned by Ridley) in a manner which would ensure that the profitability of Cheetham would not be impacted by the development of the underlying land. The valuation of these land holdings is subject to the land having the ability to be rezoned for residential or commercial use and approvals necessary to the redevelopment being obtained.

Ridley has previously received a number of approaches in relation to certain Cheetham sites and is committed to exploring alternatives to unlock the inherent value of these land holdings for the benefit of shareholders. Ridley anticipates that the process of entering into arrangements with development partners, obtaining rezoning and development consents and relocating existing salt production will occur progressively over the next one to four years.

#### **Ridley AgriProducts**

The performance of the Ridley AgriProducts division is currently being impacted by two underperforming business units. Actions are underway to improve the financial performance of these business units. These actions include the optimisation of existing operations and the rationalisation of underperforming assets which are not capable of generating a return appropriate for a public company.

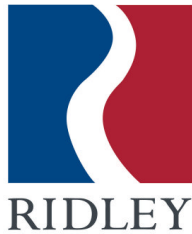
#### **Guidance**

While the various strategic initiatives may generate one-off Significant Items, Ridley confirms it is on track to meet previous guidance of Net Profit after Tax before Significant Items for FY2008 in the range of \$24 million – \$27 million.

For further information:

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## **Managing Director's Executive Employment Agreement**

### **Key Terms**

The key components of the agreement are as follows:

- Base annual remuneration, inclusive of superannuation, of \$620,000 to be reviewed annually with base remuneration increasing by the greater of the percentage increase in CPI and the amount agreed as a result of an independent review
- Term of agreement: 3 years
- Payment of termination benefit on early termination by the employer, other than for cause, of \$620,000
- If Ridley and Mr Murray cannot reasonably agree to extend the agreement in 3 years the termination benefit will be payable
- Incentive bonuses up to 100% of base salary based on the achievement of certain agreed KPIs as approved by the Board