



Ridley announces new Tasmanian feedmill

Melbourne Australia, Friday 20 January 2017

Ridley Corporation Limited (**Ridley**) (**ASX: RIC**) today announces its intention to build a new state of the art, fit for purpose aqua feedmill in Tasmania.

Located at Westbury, in northern Tasmania just west of Launceston and south of Burnie, the feedmill will manufacture and supply feed to primarily Tasmania's Salmon industry, as well as other aquaculture species on the mainland and in New Zealand.

Based on committed volume from existing contracted customers, the proposed new feedmill will meet internal financial hurdle return rates, with upside in the form of spare capacity, which will be available to target new and returning customers and general industry growth.

Currently, Ridley manufactures and supplies a significant volume of aquafeed to the Tasmanian market from its Narangba facility near Brisbane, Queensland. The new facility will bring Ridley closer to its Tasmanian customers, who will benefit from reduced supply chain costs, shorter delivery lead times and from being able to collaborate more closely on new product development and dietary enhancements.

The transfer of salmon production from Narangba to Tasmania upon commissioning of the new feedmill will be accommodated within a restructure of the Narangba operations, which will include the return of production of certain third party manufactured products, which are currently outsourced due to capacity constraints. The Narangba restructure has been financially modelled in the internal project approval process.

Commenting on the announcement, Ridley's Managing Director and CEO Tim Hart said "Ridley's commitment to a new state of the art feedmill in Tasmania supports our focus on growing with our customers, which is on the back of sustained aquaculture production growth in the region. A site at Westbury has been secured and we are working hard to obtain the necessary planning approvals to support the commencement of construction in 2017. The Westbury region is ideal due to its proximity to raw materials supply, with its location enabling the service of customers' expansion much more effectively."

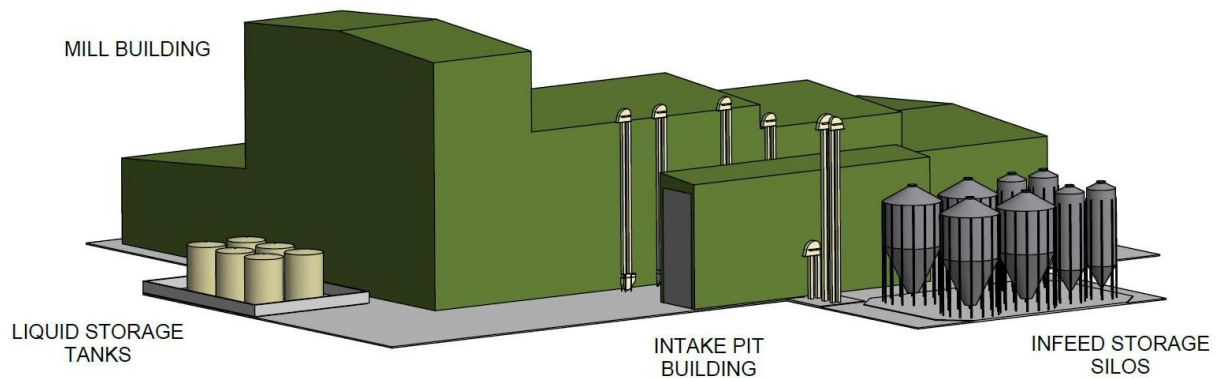
"The decision of Ridley to expand into Tasmania reinforces the importance of the aquaculture industry to Tasmania and reflects the confidence we have in our Aquafeeds team to consistently produce high quality animal nutrition solutions that are capable of outperforming competitor aquafeeds in like-for-like product trials. The feedmill will provide significant local employment opportunities, not only during the period of construction but also for the mill operations and local supply chain, including opportunities for local primary producers to supply the mill with inbound raw materials" concluded Mr Hart.

\$2 million of grant funding has been secured through the Office of the Coordinator-General under the *Business and Jobs Attraction Initiative*, a package specifically created by the Tasmanian Government to attract business and jobs to Tasmania.

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A spokesperson for the Office of the Coordinator-General said "We congratulate Ridley on their decision to expand into Tasmania and we look forward to working with them on this and other projects, and wish them every success into the future."

The equipment selected for the new feedmill will all be state of the art, with a strong focus on efficiency and low running costs. The purpose built mill, with an annualised capacity of up to 50,000 tonnes per annum on a five day shift structure, will have on-site bulk storage capacity and fit for purpose warehouses for both raw materials and finished goods.



Tasmania is the largest producer of fisheries and aquaculture products in Australia, with the farm gate value of the salmon industry alone worth over half a billion dollars per year. Salmon industry growth rates are forecast to remain strong into the foreseeable future, with the colder waters making Tasmania the only region in Australia suitable for the cultivation of the salmon biomass.

More than 1,500 Tasmanians currently work directly in the salmon industry, with a further 2,700 (estimated) indirect jobs supported by the industry, with many of these jobs located in rural and remote areas.

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