



Presentation to Auststock Sustainable Productivity Conference -
Energy, Agriculture and Chemicals

**Elders Rural Services Operations and
Short, Medium and Long Term Growth opportunities**
11 March 2010

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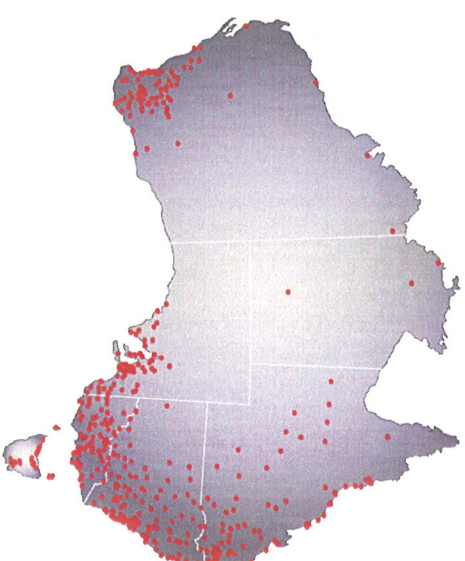
Elders is a leading Australian agribusiness offering exposure to:

- Australian farmers via the premium distribution and agency brand
- supply of food and fibre to Asian and global markets
- value accretion arising from business renewal and transformation programs.

Elders' Rural Services operations



- Network distributing farm inputs, financial services and providing marketing, technical and advisory services
- Unique banking capability:
 - only combination of full range rural services business with specialist agri-bank committed to rural Australia
- Network related supply chain assets that leverage distribution/accumulation capabilities in:
 - Grain
 - Livestock
 - Wool
- Competitive advantage in intelligence through position at farm-gate
 - Relationships with 110,000 farmers in Australia,



Points of presence	Australia	New Zealand	Total
Rural branches	267	18	285
Real Estate & Insurance	91	4	95
Franchise Real Estate (rural and regional)	33	-	33
Franchise Real Estate (metropolitan)	132	-	132

Setting the foundations

Elders is now able to concentrate its resources on the Transformation project initiated in June 2008 to reform its Rural Services business as a sustainable performing and best-in-class enterprise.



Nov 09: Recapitalisation completed

Completion of \$550 m capital raising and \$360m of asset sales to reduce debt Elders' balance sheet is now equipped to follow through on initiatives to lift performance and value for shareholders

Feb – Sept 09: Refinance

Extended process driven by change from simple roll-over to restructuring and refinance and recapitalisation.

Dec 08: Agenda for Change

Reorganisation and concentration of resources around Elders brand and network.
Commitment to debt reduction, performance improvement and re-engagement with markets.

Sept 08: Malcolm Jackman appointed CEO.

New management team recruited and installed over ensuing 12 months

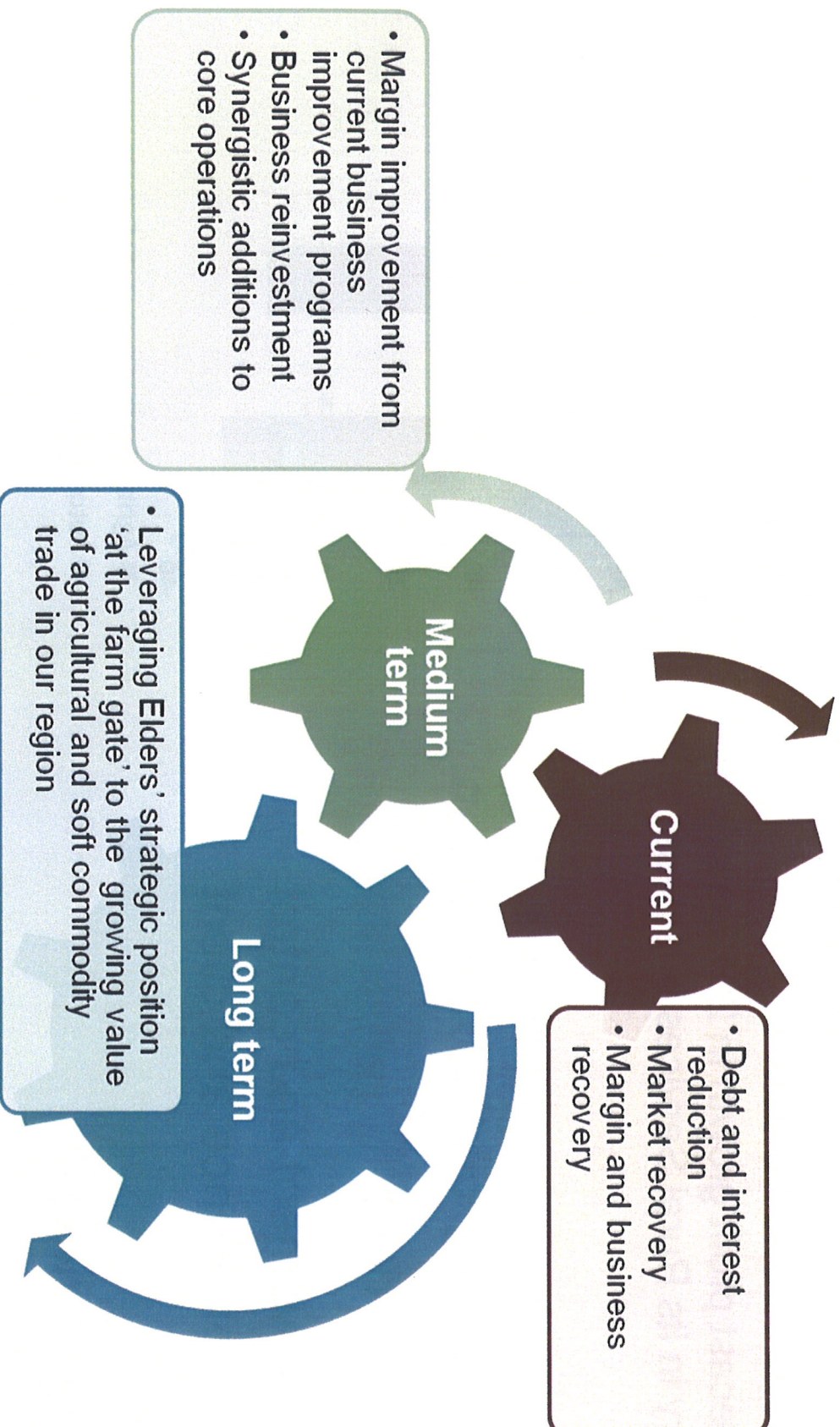
June 08: Rural Services Transformation Project initiated

To establish a sustainable future for Elders Rural Services

Growth drivers from near to long term



Elders' strategy and management agenda is for the delivery of earnings growth across investment time horizons through leveraging existing assets and operations. The initiatives to achieve this are already in train.





Current term growth



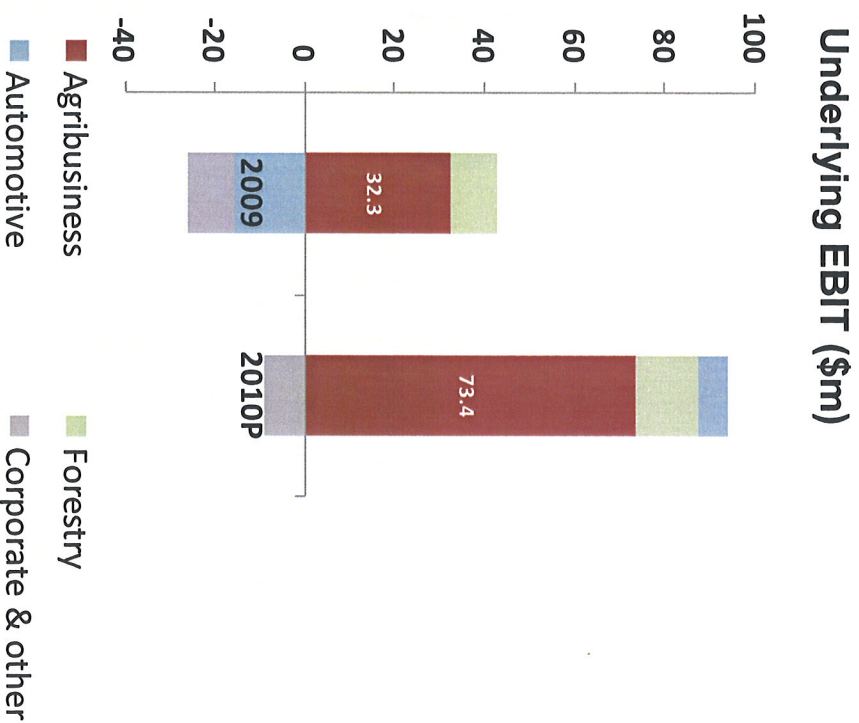
Elders' focus in 2010 is on recovery in its existing business and executing the transformation initiatives that will deliver organic earnings from 2011 onwards.

Elders' forecast profit growth in 2010 is driven by recovery in its Rural Services business.

Key drivers in Rural Services

2010 earnings growth expectation:

- farm input prices
- cost improvement and control
- return of confidence and client spending
- seasonal conditions



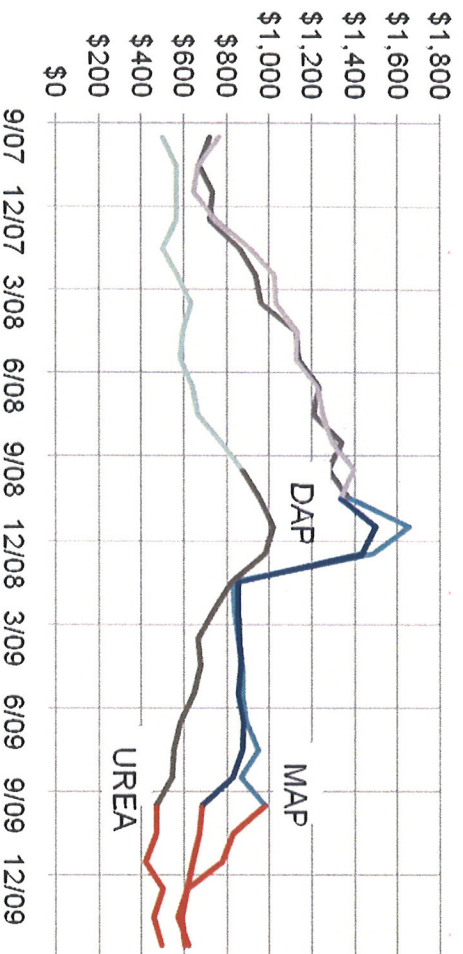


2010 market & seasonal conditions

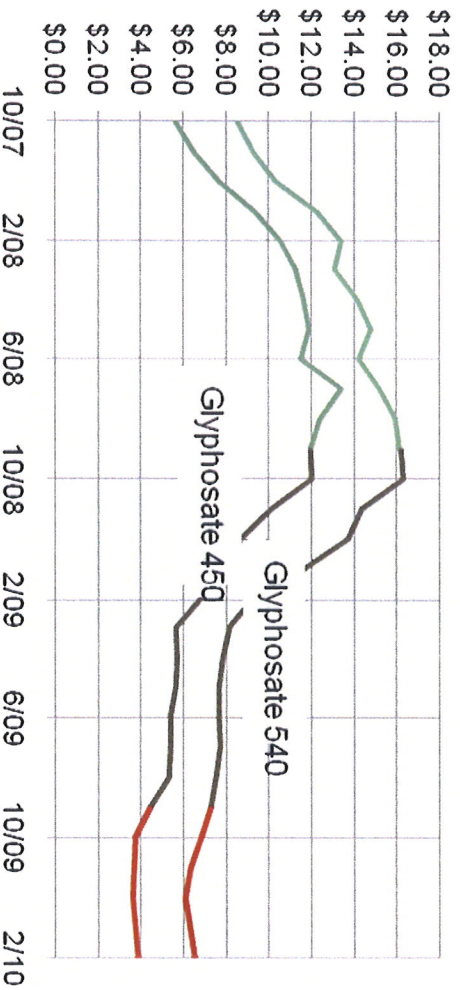
Markets & seasonal conditions now trending positively



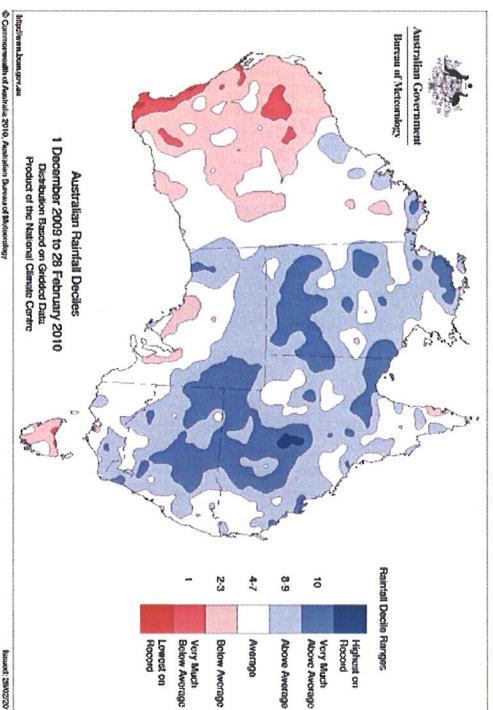
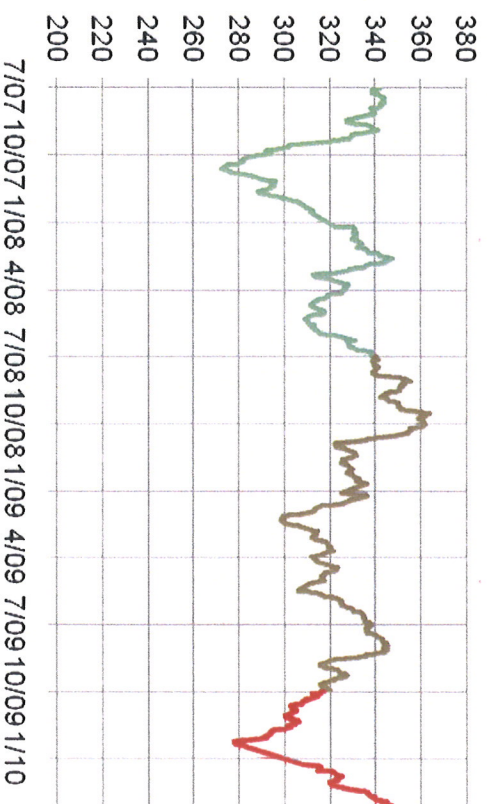
Fertiliser prices \$/t



Ag Chem prices \$/l



Cattle prices EYCI \$





Medium term Rural Services margin growth targets

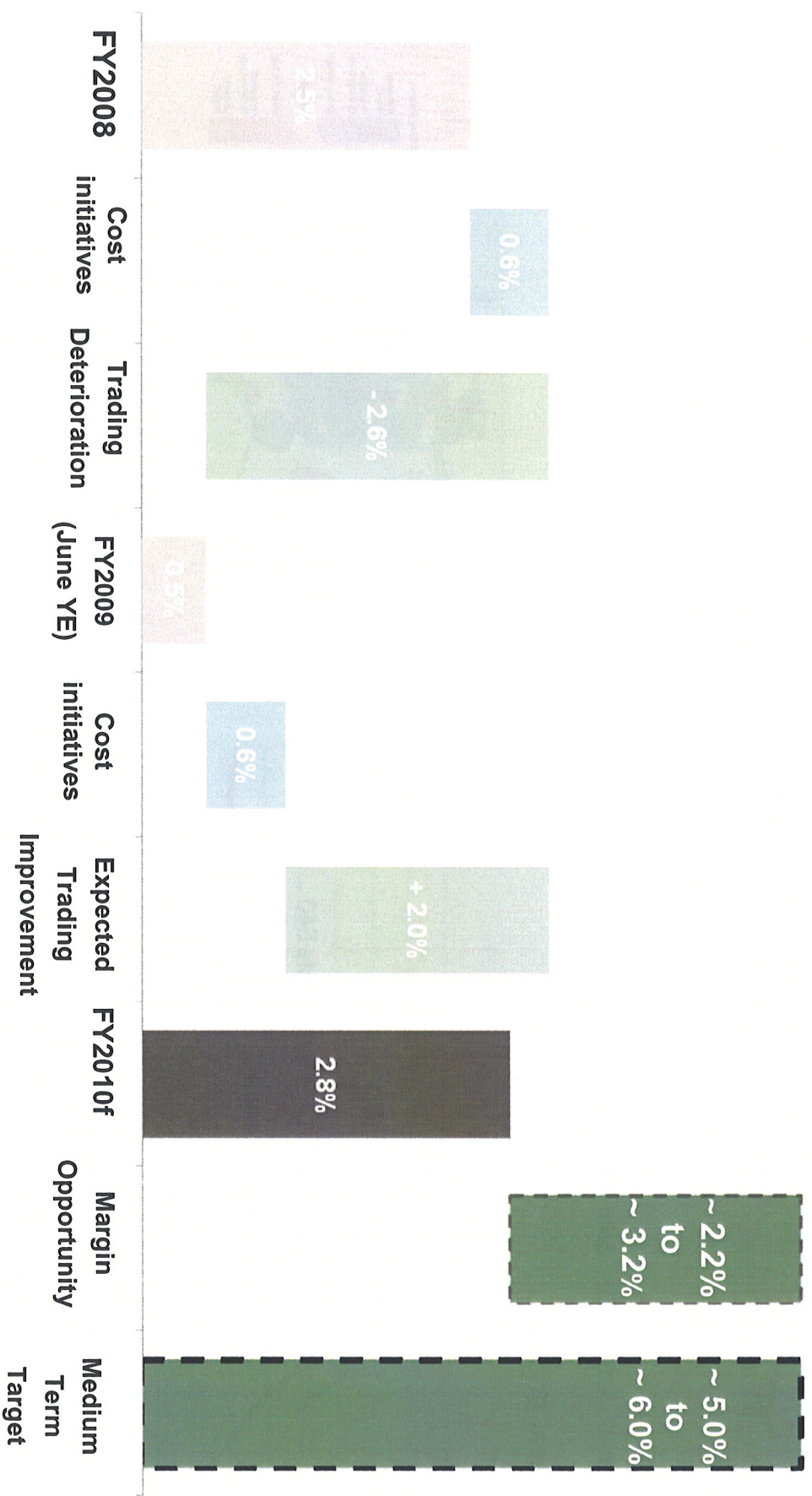


2008

Jun - 2009

Sept - 2010

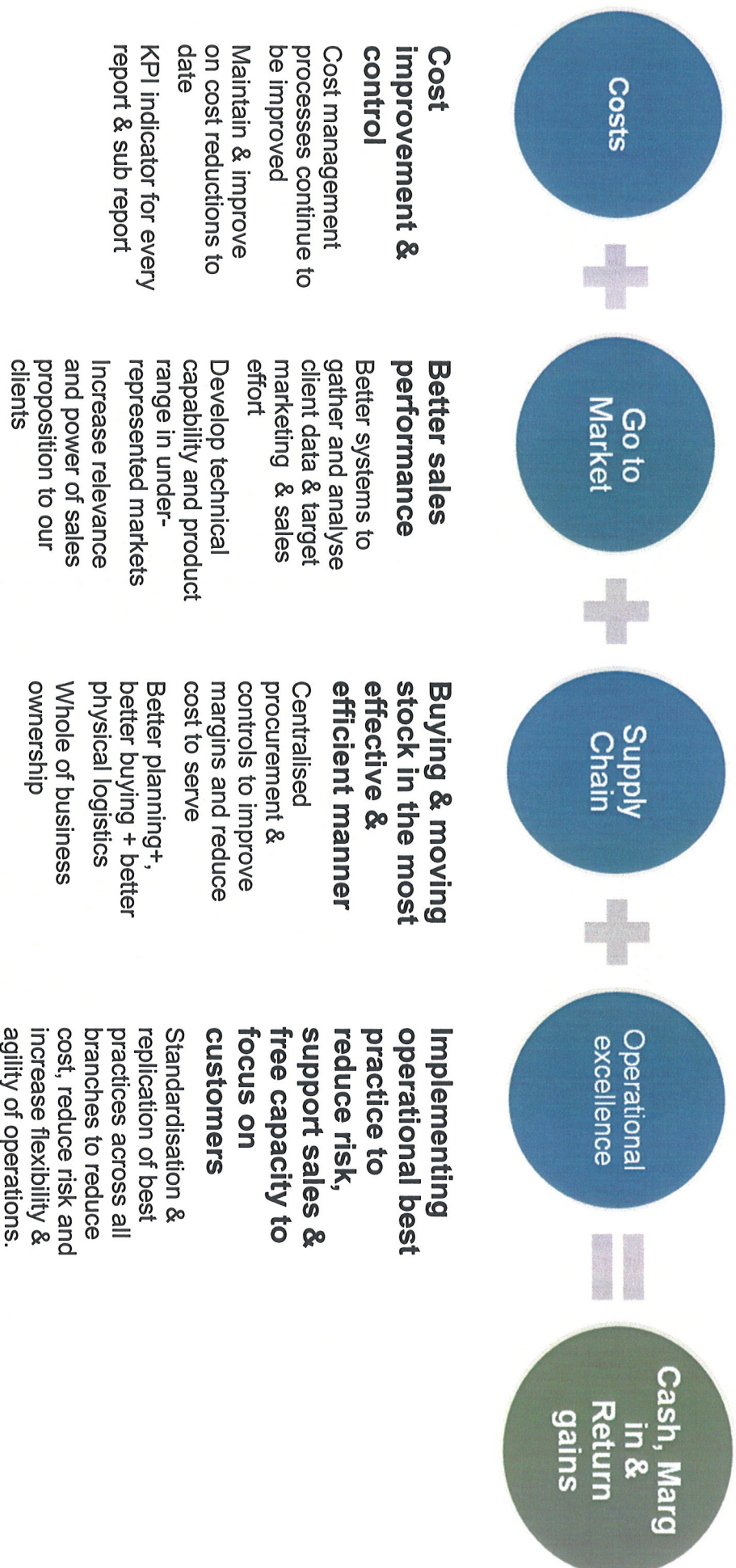
Medium term



Medium term margin and performance improvement



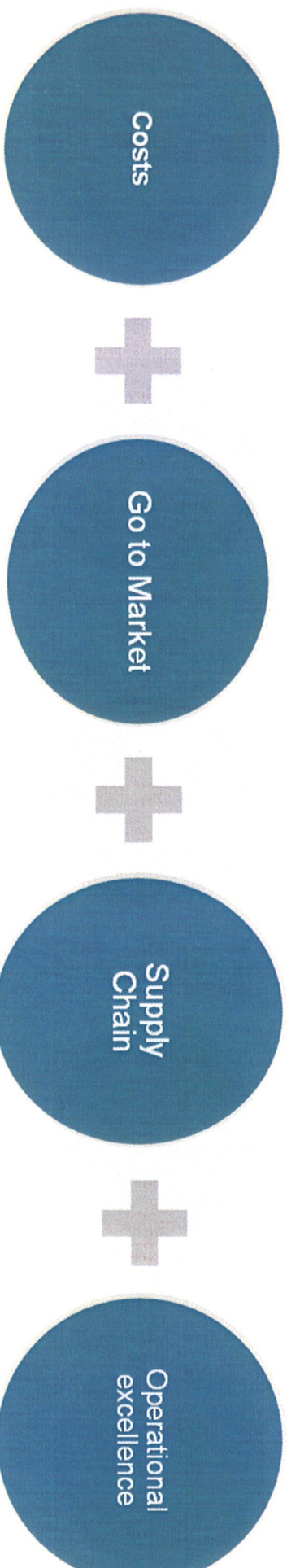
Improved financial performance in the medium term is the focus of 4 separate programs within Phase 2 of the Business Transformation project



Business Transformation update



Progress is being made on each of the four separate programs to improve sales, financial and operating and margin performance



Cost improvement & control

- ✓ Costs reduced further from '09 levels

Go to Market

- ✓ Reform of management regions and development of differentiated value proposition by industry and client segment.
- ✓ Key Account Management system winning large clients and increasing sales from existing clients
- ✓ New Key accounts targeted for 2010.
- ✓ Price book implemented and supporting stable consistent margins
- ✓ Commitment to new shopfront pilot in 2010,

Better planning, buying & logistics

- ✓ Sourcing contracts for key categories consolidated
- ✓ Processes embedded for cost-downs, alignment to marketing
- ✓ Logistics, ordering & supply reformed with commencement of 3 DC's
- ✓ Sales & Ops planning process integrated
- ✓ Forecasting technology implemented Feb 2010
- ✓ Route by Route Freight review completed Feb 2010

Implementing operational best practice

- ✓ Completed proof of concept on 38 of 39 policies & procedures.
- ✓ Progressive implementation of standard policies & procedures underway



Longer term growth drivers



Growth over the longer term is underpinned by the outlook for the Australian and New Zealand farm sectors as suppliers to the strong regional demand for food and fibre.

Elders has an unmatched potential to capitalise on this opportunity and is working to translate this potential into growth for the company by leveraging the strategic and competitive value of existing assets and operations

Aligning network size, spend market share and earnings

- Current scale and position not reflected in market share, sales or earnings
- Targeting upside in achieving natural or 'parity' position

New Zealand

- Represents 1/3 expansion to income generated from Australia
- Recently entered, 5% market share in Farm Supplies

Livestock and meat

- Building on significant and successful operations in feedlots and live export
- Natural application of Elders' accumulation capability

Dairy and horticulture

- Under-represented in markets which are highly intensive users of farm supplies
- Initiatives in train with headway being made and KAM account success

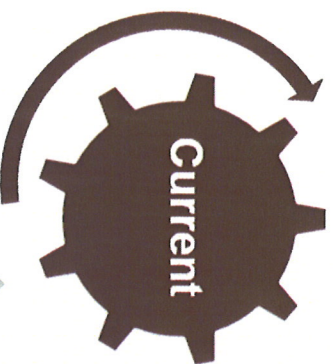
Financial services

- New model results enables the combination of specialist resources and capability with unmatched service proposition, distribution and client relationship

Grain

- New entrant with est. market share in excess of 10% and rising each year
- Competitive accumulation model that is growing with move to cash pricing

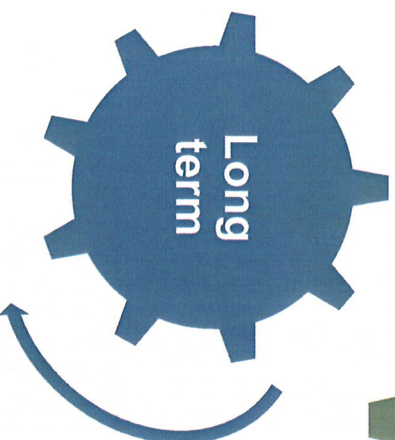
Situation summary



- Recapitalisation has stabilised business and reduced debt and interest to sustainable levels
- Prices moving positively after 1st quarter deterioration
- Confidence returning, evidenced by return to strong order volume for inputs
- Margin % improvement evident in results to date
- Seasonal trends generally positive, 3rd Quarter critical to outcome



- Structured whole of business program in place for improved sales, margin and financial performance
- Initiatives being completed will benefit earnings and performance from 2011 on
- Supply chain, KAM, Go to market delivering gains now



- ABARE forecast gross value of farm exports to rise 4.6% pa to 2015
- Assets and programs in place to capitalise on unmatched position at the farm gate where Australian production meets global demand and supply

The trends are now positive.



Transformation work is poised to deliver gains in improving markets.

- **Markets on the up after a tough start**
 - momentum has swung to the positive and strengthening with each month
- **Seasonal Conditions improving with recent rainfall**
 - the best at this time for many years
- **FY2010 trends supporting prospectus forecasts :**
 - first quarter tough, second quarter stronger and, third quarter critical (as always)
- **FY2011 expected to show ongoing momentum and earnings growth**
 - Transformation gains from 2010 actions
 - Flow on from rainfall and return of confidence in 2010



Sliders