



Presentation to UBS Small Caps Conference 2010

Elders Ltd March Quarter Update

21 April 2010

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Elders Limited

Rebuilding the Company

Over the last 18 months Elders has been refocussed and reinvigorated through action on 4 fronts



Corporate focus & structure

Agenda for Change

Refocus resources & strategy, re-set reporting and performance metrics and re-engage.

Effectively complete

Capital & balance sheet

Recapitalisation and Refinance

Restore balance sheet viability, secure long term backing of financiers. Shift to capital light structures.

Executed

Operations performance

Business Transformation Project

Lift sales, earnings performance of Elders Rural Services with comprehensive business improvement program.

Progressing through program

Culture

ONELDERS: 2010 on

Creating a performance focussed and dynamic organisation that is inspired by and unified by a common set of values

Just launched

Growing the Company

The agenda has shifted from change to performance.
The 4 Strategic Cornerstones of the new Elders are:



High
performance
sales capability

Supply Chain
Excellence

Cost- &
service-
effective
technology

Superior
capital
management

Business Transformation Project

Improved financial performance in the medium term is the focus of 4 separate programs



Better sales performance

Better systems to gather and analyse client data, target marketing and sales effort

Develop technical capability and product range in under-represented markets

Increase relevance and power of sales proposition to our clients

Buying & moving stock in the most effective & efficient manner

Centralised procurement & controls to improve margins and reduce cost to serve

Better planning+, better buying + better physical logistics

Whole of business ownership

Implementing operational best practice to reduce risk, support sales & free capacity to focus on customers

Standardisation & replication of best practices across all branches to reduce cost, reduce risk and increase flexibility & agility of operations.

Cost improvement & control

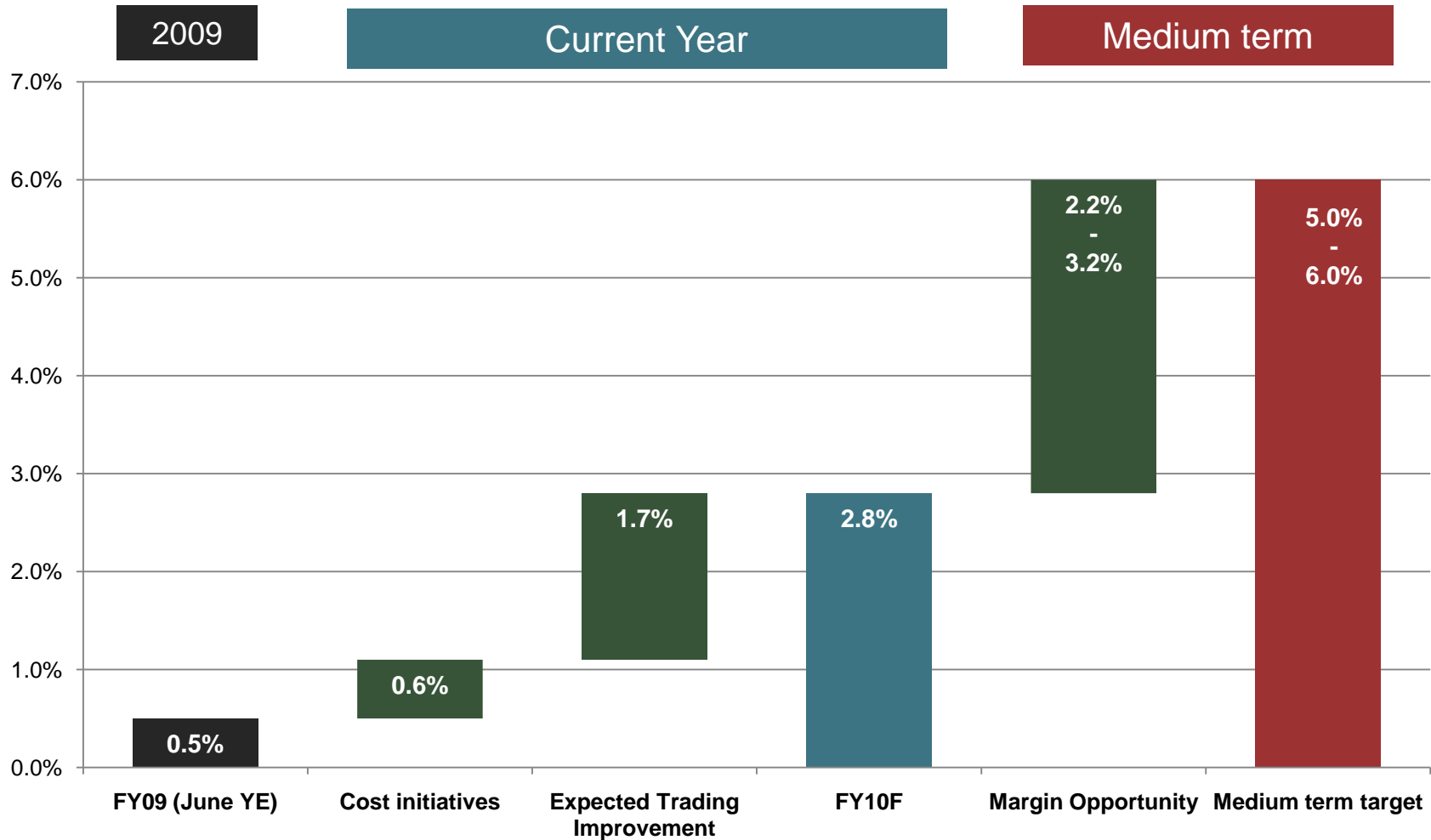
Cost management processes continue to be improved

Maintain & improve on cost reductions to date

KPI indicator for every report & sub report

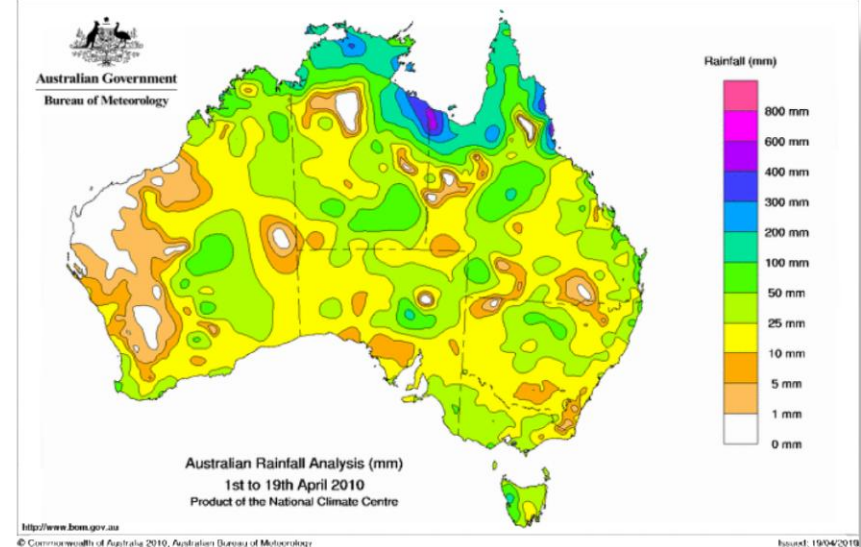
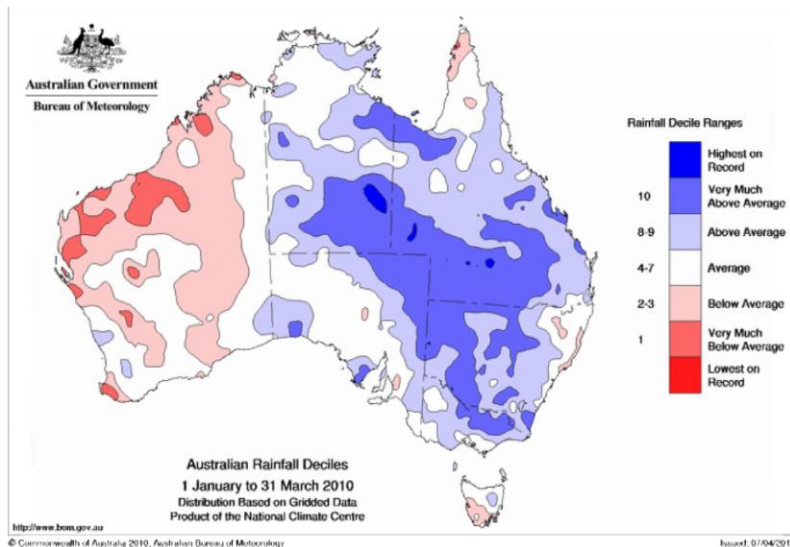
Rural Services margin targets

Return to normal trading in FY10; business improvement gains from FY11 onwards



2010 seasonal conditions

the most positive in many years, renewed resources, feed, activity levels and confidence



Good March quarter rainfall

- Above average for most of eastern Australia
- Average to above average in South Australia
- Average or below average in WA grain belt
- Replenishing of river systems, subsoil moisture
- On farm water storage replenished in the East
- Northern: good to better than average in east & central, dry in the west

..followed by early rains in April

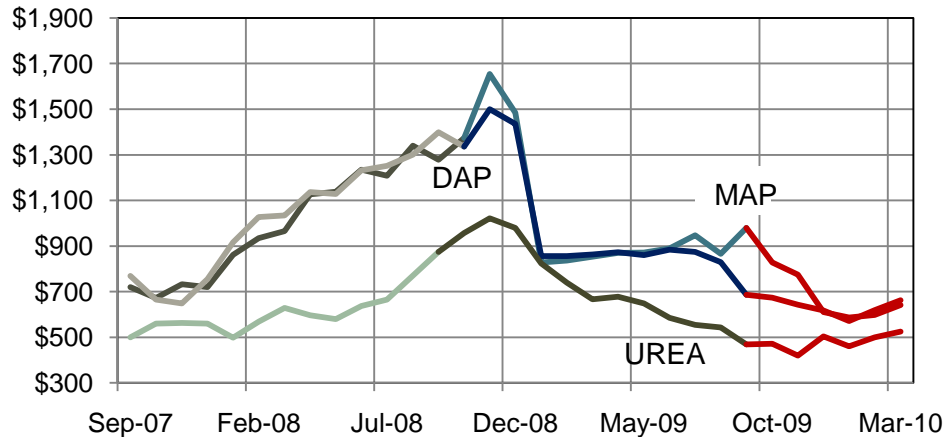
- Cropping activity underway with increasing confidence in eastern and southern grain regions
- WA cropping activity picking up after April rains
- Confidence returned to irrigating producers
- Eastern livestock activity & trade to pick up as floodwaters recede and fattened stock enter market
- Feed availability still issue in western livestock markets

2010 Farm supplies markets

Markets now trending positively after first quarter dip



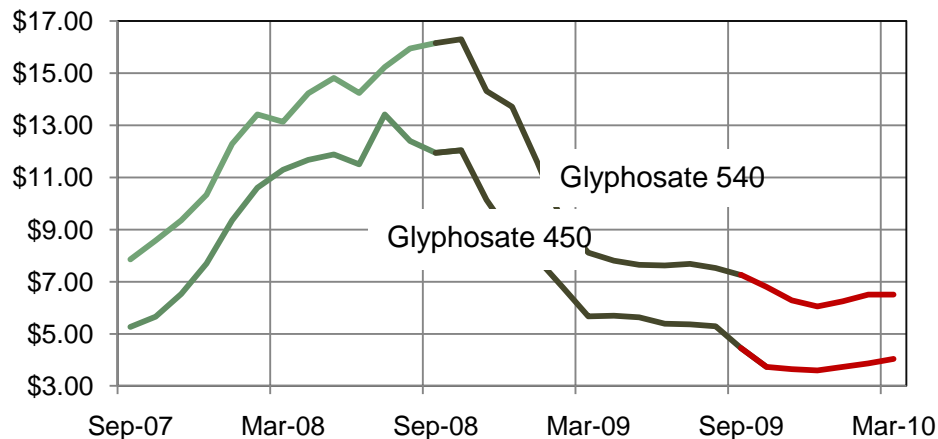
Fertiliser prices
\$/t



Prices improving, volumes up, % margin up

- Prices now trending up after Dec qtr decline
- Volumes and orders rebounding:
 - MAP/DAP & Urea volume up 69% on H109
 - Glyphosate volume up 53% on H109
- Gross margin % up across product range, wool margin steady

Ag Chem prices
\$/l

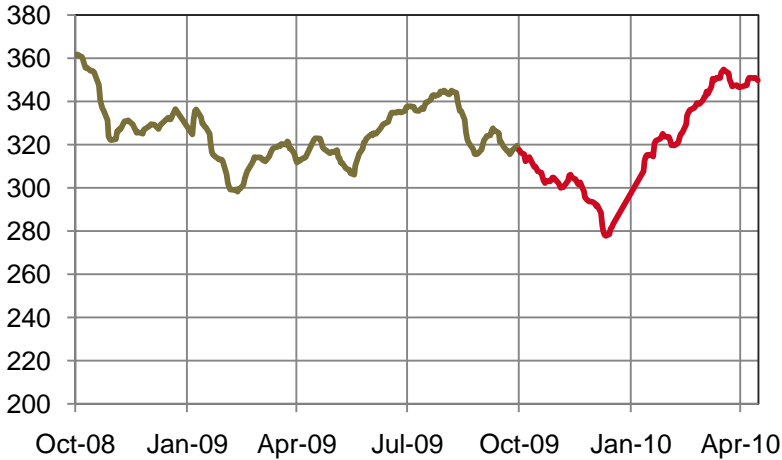


Meat and livestock markets & conditions

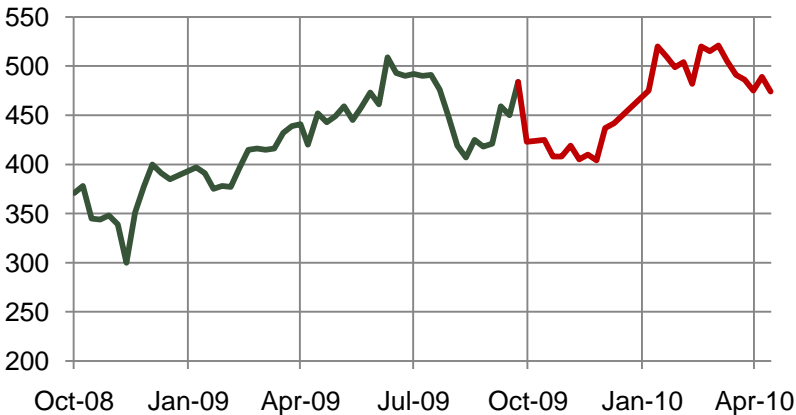


Prices recovered from first quarter slide, seasonal conditions positive for 2nd Half

Cattle prices
EYCI \$



18 -20 kg Lamb prices
\$



Agency in line with pcp.

Activity set to rise as autumn rainfall benefits realised.

- First half prices lower for cattle, higher for sheep
- Lower volumes due to flock & herd size, flood impact
- Expect H1-10 Agency contribution in line with H1-09
- Meat and Livestock Trading H1-10 impacted by AUD, ship availability and Indonesian market closure
- H2-10 expected to be stronger as agency volumes rise, re-opening of Indonesian market and increased shipping.

Business Transformation update

Progress made on all 4 programs in first half



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

Supply Chain

- ✓ Contracts for key categories consolidated supported by processes embedded for cost-downs, alignment to marketing
- ✓ Logistics, ordering & supply reformed around 3 DC's. Rebates going to plan. Tracking availability performance.
- ✓ Sales & Ops planning process integrated
- ✓ Forecasting technology implemented Feb 2010
- ✓ Route by route freight review with savings from renegotiation, controls.

Operational Excellence

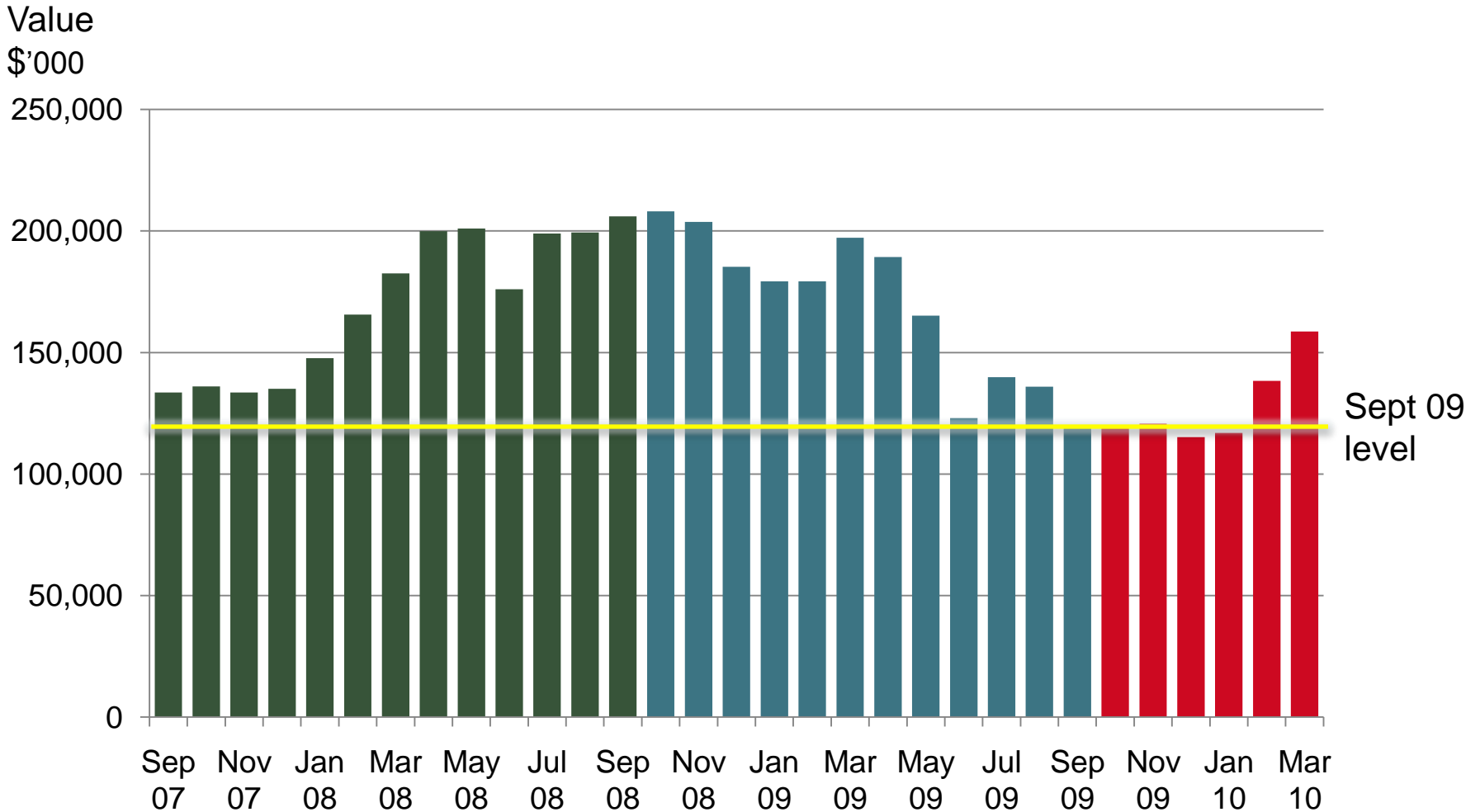
- ✓ Completed proof of concept on 38 of 39 policies & procedures.
- ✓ Progressive implementation of standard policies & procedures underway

Costs

- ✓ Costs reduced further from '09 levels
- ✓ On track for targets

Rural services inventory management

FY10 movements highlight capacity to control with flexibility to meet seasonal requirements



Forestry



- Business now focussed on plantation establishment management, harvest and sale
- Timber processing assets sold
- FEA shareholding written down: \$32 million non-recurring charge
- 2010 MIS sales:
 - Elders Forestry one of few remaining players
 - Conditional Term Sheet agreed with Rural Bank for grower finance package
 - Increased protection for grower through funds in trust provisions
 - Expect to perform strongly for available demand in MIS

Forestry Review

Comprehensive review in light of industry and company specific drivers



- Acceleration and expansion of customary balance date reviews
- Ernst & Young will oversee reviews of asset values in light of current and anticipated developments
 - industry uncertainty
 - property market trends
 - specific regional reports eg central Queensland, drought affected regions
 - completion of 5 year growth reports of large 2004 and 2005 plantings
 - woodchip price negotiations
- Major asset classes
 - Property \$288 million – valued at fair value
 - Accrued income & trees \$205 million – reflects expectations of productivity and prices
 - Goodwill \$43 million
- Report due by end-April

Futuris Automotive

rebounding strongly



- Automotive markets demonstrating “first in-first out” recovery pattern
 - Australian volumes commenced recovery December quarter
 - Chinese auto industry sales up 77% ytd
 - Other Asian markets recording recovery and growth
- Futuris Automotive performing above expectations
- Further impetus to the business recovery being provided by new contract wins:
 - Cruze locally built for GMH
 - Police Cruiser export for USA (CCPV)
 - JAC in China
 - Thailand (GMH and other possible business in development)
 - Futuris Feltex South Africa (GMH, Ford, Mercedes & BMW carpets)
 - supported by other opportunities the subject of current negotiations
- Business development proceeding according to strategy

Debt and finance

Operating according to plan



- Debt, cash and metrics within covenants/headroom in period to 31 March
 - includes min. cash balance test
- Receivables securitisation to be included in net debt under AIFRS 2 but excluded from debt covenant calculations
 - no impact on NPAT; however reclassification between EBIT and interest
 - H1-10 est < \$0.5 m benefit to EBIT, offset by addition to interest;
 - FY10 est < \$5 million benefit to EBIT, offset by addition to interest
 - no impact on balance sheet other than reclassification from receivables and to interest bearing debt
- Net debt as at 31 March:
 - gross bank debt \$330 million + securitisation of \$89 million
 - cash of \$84 million
- Killara transaction evidences shift in banking relationships to commercial focus

Rural Service earnings targets and key drivers

Management agenda addresses near, medium and long term growth targets that exist within our business and areas of interest



FY10 prospectus:

recovery to historical margin

- Recovery in Rural services prices, volumes and markets
- Further cost gains
- Auto
- MIS

Markets, costs, margin and seasonal conditions now moving in right direction

FY11 on:

2 - 3 % Margin lift

- Delivery of gains from Transformation Program:
- Supply chain
- Op excellence
- Go to Market
- Costs

Focus of current year management agenda . Progress being made.

Longer term:

Leverage Elders into strong regional and macro outlook

- Food & fibre to Asia
- Market weight in areas such as dairy, hort. & NZ
- Meat and livestock as protein security demand grows
- 350 million increase in population to 2015 forecast

Outlook remains strong. Bolt on's such as Killara and growth in key sectors such as meat and livestock etc being pursued.

Update summary

Momentum is building as the trend of recovery in seasons, markets and confidence continue



- With the reformation complete, Elders' efforts has shifted to performance targets and improvement
- After tough first quarter, 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 in eastern and southern Australia
 - supportive of strong second half
- FY10 trends moving in right direction for prospectus forecasts
- H1-10 results expected to evidence improvement and momentum in the business through gains made in volumes, costs and % margin despite lower prices and tough first quarter
- Business Transformation Project delivering gains in supply chain, marketing, costs and efficiency that will benefit 2011 onwards
- FY11 expected to show ongoing momentum and earnings growth
 - transformation gains from 2010 actions
 - flow on from rainfall and return of confidence in 2010



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