



17 May 2010

Company Announcements Office
Australian Securities Exchange

2010 Half Year Results

Attached is the Company's Appendix 4D for the half year ending 31 March 2010.

A handwritten signature in black ink, appearing to be "Peter Hastings".

Peter Hastings
Company Secretary



Elders Limited
ABN 34 004 336 636

**HALF YEAR REPORT
APPENDIX 4D**

31 MARCH 2010

**HALF YEAR REPORT
RESULTS FOR ANNOUNCEMENT TO THE MARKET
FINANCIAL PERIOD ENDED 31 MARCH 2010**

				\$'000
Revenues from continuing operations*	result down	3%	to	1,089,770
Profit from underlying and continuing operations after tax attributable to members	result up	104%	to	1,115
Loss from continuing operations after tax attributable to members	result down	21%	to	(140,782)
Loss from discontinued operations after tax attributable to members	result up	88%	to	(25,146)
Net loss for the period attributable to members	result up	50%	to	(165,928)
Dividends		Amount per security	Franked amount per security	
Interim dividend		Nil	N/A	
Previous corresponding period		Nil	N/A	
Net Tangible Assets		March 2010	December 2008	
Net tangible asset backing per ordinary security		<u>\$1.63</u>	<u>\$4.86</u>	

* Revenues from continuing operations comprise:

	6 months March 2010 \$'000	6 months Dec 2008 \$'000
Sales revenue	1,042,681	1,093,675
Other revenues from continuing operations	17,917	20,891
Profit on sale of non current assets	392	740
Share of net profits of associates and joint ventures accounted for using the equity method	17,414	(478)
Interest revenue	<u>11,366</u>	<u>7,536</u>
Total	<u>1,089,770</u>	<u>1,122,364</u>

**HALF YEAR REPORT
RESULTS FOR ANNOUNCEMENT TO THE MARKET
FINANCIAL PERIOD ENDED 31 MARCH 2010**

Elders Limited (the Company) and its subsidiaries (collectively the Group) changed in 2009 to a 30 September financial year end. This half year financial report to 31 March 2010 is the first half year financial report following this change in financial year. Comparative information included in this report is based on previously reported half year ended 31 December 2008.

The Consolidated Entity reported an underlying consolidated profit, after tax and non-controlling interests, from continuing operations, of \$1.1 million. (2008: \$26.3 million loss). On a reported basis the consolidated loss after tax and non-controlling interests was \$165.9 million (2008: \$329.2million loss).

UNDERLYING LOSS RECONCILIATION TABLE

	6 months March 2010 (\$000)
Statutory loss after tax attributable to members	(165,928)
Forestry asset review	(130,954)
Net write down of assets to be divested or discontinued	(18,027)
Loss on divestments	(1,409)
Smartfibre – sale not completed	(6,788)
Trading result from discontinued operations	1,078
Impairment of assets retained	(4,524)
Refinancing, redundancy, and other write downs	<u>(6,419)</u>
Subtotal	<u>(167,043)</u>
Underlying continuing profit after tax for the year attributable to members	<u>1,115</u>

Further details on the results and operations are included in the Discussion and Analysis Document provided to the Australian Securities Exchange.

ELDERS LIMITED DIRECTORS' REPORT

The Board of Directors of Elders Limited submits its report in respect of the half year ended 31 March 2010.

DIRECTORS

The Directors of the Company in office during the half year and at the date of this report are:

Stephen Gerlach (Chairman)

James Charles Fox (Deputy Chairman resigned 18 December 2010)

Charles Ernest Bright

Raymond George Grigg

Malcolm Geoffrey Jackman

Ian Graham MacDonald

James Hutchison Ranck

Anthoni Salim (resigned 30 October 2009)

Graham Douglas Walters (retired 31 March 2010)

Robert Harvey Wylie (appointed 10 November 2009)

Mark Charles Allison (appointed 10 November 2009)

REVIEW AND RESULTS OF OPERATIONS

The Consolidated Entity reported an underlying consolidated profit, after tax and before non-controlling interests, from continuing operations, of \$1.1 million (2008: \$26.3 million loss). On a reported basis the consolidated loss after tax and before non-controlling interests was \$162.8 million (2008: \$328.8 million loss). After non-controlling interests the after tax consolidated loss was \$165.9 million (2008: \$329.2 million loss).

On 26 March 2010, the Board initiated a review of forestry asset values in light of industry uncertainty and recent developments in the Forestry division. The review involved the assessment of carrying values to include 100% of Elders Forestry freehold estate and future income and harvest yield forecasts. Specific reviews were also conducted on the 2004 and 2005 plantations in Central Queensland and Esperance in light of specific regional events. In Central Queensland, plantations have been affected by fungal infection which has caused tree mortality and impaired growth and wood quality. In relation to Esperance, forecast yields have been downgraded as a result of low growth rates brought by insufficient rainfall.

As a result of the review, the Group's results for the period were impacted by a loss of \$133.1 million, comprised of an underlying loss of \$2.1 million after tax and a non-recurring loss of \$131.0 million after tax.

Further details on the results and operations are included in the Discussion and Analysis Document provided to the Australian Securities Exchange.

ROUNDING OF AMOUNTS

The parent entity is a company of the kind specified in the Australian Securities and Investments Commission class order 98/0100. In accordance with that class order, amounts in the consolidated financial statements and the Directors' Report have been rounded to the nearest thousand dollars unless specifically stated to be otherwise.

**ELDERS LIMITED
DIRECTORS' REPORT (CONTINUED)**

CHANGE OF FINANCIAL PERIOD

The Group changed its balance date from 30 June to 30 September in 2009. Current year financial results reflect the 6-month financial period ended 31 March 2010, with comparatives representing the 6-month financial period ended 31 December 2008, except for the Statement of Financial Position which has comparatives from the immediately preceding financial reporting period being 30 September 2009.

AUDITOR INDEPENDENCE

The Auditors review of the financial report is in accordance with the declaration on page 30 – "Auditor Independence Declaration to the Directors of Elders Limited."

This report has been made in accordance with a resolution of directors.



R Wylie
Director



M G Jackman
Director

Adelaide
17 May 2010

ELDERS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
HALF YEAR ENDED 31 MARCH 2010

	Note	CONSOLIDATED	
		6 months March 2010 \$000	6 months December 2008 \$000
Continuing operations			
Sales revenue	2	1,042,681	1,093,675
Cost of sales		(809,313)	(860,338)
Other revenues		17,917	20,891
Expenses	2	(393,000)	(356,665)
Share of net profits of associates and joint ventures accounted for using the equity method	7	17,414	(478)
Profit / (loss) on sale of non current assets	2	392	740
Profit / (Loss) from continuing operations before net finance costs and income tax expense		(123,909)	(102,175)
Interest revenue		11,366	7,536
Finance costs		(27,938)	(40,423)
Profit / (loss) from continuing operations before income tax expense		(140,481)	(135,062)
Income tax (expense) / benefit	3	2,863	18,721
Profit / (loss) from continuing operations after tax		(137,618)	(116,341)
Net loss of discontinued operations net of income tax	14	(25,216)	(212,444)
Net profit / (loss) for the period		(162,834)	(328,785)
Other comprehensive income / (loss)			
Foreign currency translation		(7,310)	8,405
Cash flow hedge and fair value of derivatives		1,128	(12,233)
Recognition of share of reserve for losses in associate		(427)	-
Income tax on items of other comprehensive income	2	(444)	2,829
Other comprehensive income / (loss) for the period, net of tax		(7,053)	(999)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD		(169,887)	(329,784)

The accompanying notes form an integral part of this Statement of Comprehensive Income.

ELDERS LIMITED
STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)
HALF YEAR ENDED 31 MARCH 2010

		CONSOLIDATED	
		6 months March 2010 \$000	6 months December 2008 \$000
	Note		
Profit / (Loss) for the period is attributable to:			
Non-controlling interests		3,094	378
Members of the parent		(165,928)	(329,163)
		<u>(162,834)</u>	<u>(328,785)</u>
Total comprehensive income / (loss) for the period is attributable to:			
Non-controlling interests		3,094	468
Members of the parent		(172,981)	(330,252)
		<u>(169,887)</u>	<u>(329,784)</u>
Reported Operations			
Basic earnings per share (cents per share)	8	(41.0)¢	(414.6)¢
Diluted earnings per share (cents per share)	8	(41.0)¢	(414.6)¢
Continuing Operations			
Basic earnings per share (cents per share)	8	(34.8)¢	(146.5)¢
Diluted earnings per share (cents per share)	8	(34.8)¢	(146.5)¢
Discontinued Operations			
Basic earnings per share (cents per share)	8	(6.2)¢	(268.1)¢
Diluted earnings per share (cents per share)	8	(6.2)¢	(268.1)¢

The accompanying notes form an integral part of this Statement of Comprehensive Income.

ELDERS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2010

	Note	CONSOLIDATED	
		March 2010 \$000	September 2009 \$000
CURRENT ASSETS			
Cash and cash equivalents		83,589	367,868
Trade and other receivables		476,608	535,785
Livestock		42,364	43,752
Inventories		234,450	225,524
Derivative financial instruments		3,341	7,820
Non current assets classified as held for sale		23,965	16,599
Other		19,089	23,202
TOTAL CURRENT ASSETS		883,406	1,220,550
NON CURRENT ASSETS			
Receivables		216,452	232,689
Forestry		25,844	27,014
Other financial assets		22,362	17,549
Investments in associates and joint ventures		261,635	283,224
Property, plant and equipment		104,254	114,381
Investment properties		264,316	283,797
Intangibles		165,279	228,520
Deferred tax assets		114,080	115,040
Other		16,828	18,459
TOTAL NON CURRENT ASSETS		1,191,050	1,320,673
TOTAL ASSETS		2,074,456	2,541,223
CURRENT LIABILITIES			
Trade and other payables		353,371	362,731
Derivative financial instruments		6,480	11,781
Interest bearing loans and borrowings	5	118,578	854,069
Current tax payable		51,707	38,047
Provisions		103,078	107,197
TOTAL CURRENT LIABILITIES		633,214	1,373,825
NON CURRENT LIABILITIES			
Trade and other payables		436	-
Interest bearing loans and borrowings	5	299,953	345,204
Derivative financial instruments		12,584	38,143
Deferred tax liabilities		60,704	69,186
Provisions		5,320	13,206
TOTAL NON CURRENT LIABILITIES		378,997	465,739
TOTAL LIABILITIES		1,012,211	1,839,564
NET ASSETS		1,062,245	701,659
EQUITY			
Contributed equity	6	1,268,013	737,513
Hybrid equity	6	145,151	145,151
Reserves		(36,900)	(30,765)
Retained earnings		(323,778)	(158,012)
TOTAL PARENT ENTITY INTEREST IN EQUITY		1,052,486	693,887
Non-controlling interests		9,759	7,772
TOTAL EQUITY		1,062,245	701,659

The accompanying notes form an integral part of this Statement of Financial Position.

ELDERS LIMITED
STATEMENT OF CASH FLOWS
HALF YEAR ENDED 31 MARCH 2010

CONSOLIDATED
6 months 6 months
March December
2010 2008
\$000 \$000

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	3,239,396	3,673,061
Payments to suppliers and employees	(3,331,766)	(3,993,446)
Dividends received	6,826	11,893
Interest received	12,083	9,521
Interest and other costs of finance paid	(27,938)	(39,476)
GST paid (net)	(6,020)	(15,127)
Income taxes refund / (paid)	11,861	(25,175)
Other operating inflows	-	6,472
Net operating cash flows	<u>(95,558)</u>	<u>(372,277)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Payment for property, plant and equipment	(9,052)	(17,675)
Payment for investment properties	(5,157)	(23,671)
Payment for investments	(4,804)	(15,589)
Payment for design and development capitalised	(1,270)	(2,507)
Proceeds from sale of property, plant and equipment	4,837	3,837
Proceeds from sale of investment properties	4,852	-
Proceeds from sale of investments	-	10,272
Proceeds from sale of controlled entity, net of cash disposed	91,160	26,638
Loans to other parties	-	7,425
Loans to associated entities	-	(17,007)
Loans repaid by associates	558	1,983
Loans repaid by growers	4,929	2,475
Payment for other businesses	-	(3,691)
Net investing cash flows	<u>86,053</u>	<u>(27,510)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from issue of shares	550,000	-
Share issue costs	(19,500)	-
Proceeds from borrowings	89,190	395,294
Partnership profit distributions	(1,107)	(1,939)
Repayment of borrowings	(893,158)	(81)
Principal repayments of lease liabilities	(199)	(685)
Dividends and distributions paid	-	(34,333)
Dividends underwritten	-	26,879
Net financing cash flows	<u>(274,774)</u>	<u>385,135</u>
Net decrease in cash held	(284,279)	(14,652)
Cash at the beginning of the financial year	367,868	244,043
Cash at the end of the financial period	<u>83,589</u>	<u>229,391</u>

The accompanying notes form an integral part of this Statement of Cash Flows.

ELDERS LIMITED
STATEMENT OF CHANGES IN EQUITY
HALF YEAR ENDED 31 MARCH 2010

Consolidated (\$000)	Members of the parent entity				Non-controlling interests	Total Equity
	Issued Capital	Reserves	Hybrid Equity	Retained Earnings		
As at 1 October 2009	737,513	(30,765)	145,151	(158,012)	7,772	701,659
Profit/(loss) for the period	-	-	-	(165,928)	3,094	(162,834)
Other comprehensive income	-	(7,053)	-	-	-	(7,053)
Total comprehensive income for the half-year	-	(7,053)	-	(165,928)	3,094	(169,887)
Transactions with members in their capacity as owners:						
Shares Issued	550,000	-	-	-	-	550,000
Transaction costs on share issue	(19,500)	-	-	-	-	(19,500)
Partnership profit distributions	-	-	-	-	(1,107)	(1,107)
Acquisition of non-controlling interest	-	(275)	-	-	-	(275)
Recognition of share of reserved losses in associates	-	(162)	-	162	-	-
Cost of share based payments	-	1,355	-	-	-	1,355
As at 31 March 2010	1,268,013	(36,900)	145,151	(323,778)	9,759	1,062,245

Consolidated (\$000)	Members of the parent entity				Non-controlling interests	Total Equity
	Issued Capital	Reserves	Hybrid Equity	Retained Earnings		
As at 1 July 2008	694,118	16,190	145,151	353,991	86,726	1,296,176
Profit/(loss) for period	-	-	-	(329,163)	378	(328,785)
Other comprehensive income	-	(1,089)	-	-	90	(999)
Total comprehensive income for the half-year	-	(1,089)	-	(329,163)	468	(329,784)
Transactions with members in their capacity as owners:						
Disposal of controlled entities	-	(38,148)	-	-	(72,426)	(110,574)
Partnership profit distributions	-	-	-	-	(1,752)	(1,752)
Acquisition of non-controlling interests	-	-	-	-	(85)	(85)
Cost of share based payments	446	3,445	-	-	-	3,891
Dividend Reinvestment Plan	16,070	-	-	-	-	16,070
Dividends to shareholders	-	-	-	(42,949)	(2,293)	(45,242)
Dividends Underwritten	26,879	-	-	-	-	26,879
Hybrid Equity Distribution	-	-	-	(5,161)	-	(5,161)
Recognition of share of reserve for losses in associate	-	(18,153)	-	18,153	-	-
As at 31 December 2008	737,513	(37,755)	145,151	(5,129)	10,638	850,418

The accompanying notes form an integral part of this Statement of Changes in Equity.

ELDERS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
HALF YEAR ENDED 31 MARCH 2010

NOTE 1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of Preparation

These general purpose consolidated financial statements have been prepared for the half year ended 31 March 2010 in accordance with the Corporations Act (2001), Australian Accounting Standard AASB 134: *Interim Financial Reporting*, and other mandatory professional reporting requirements. It is recommended that this report be read in conjunction with the 30 September 2009 annual report and any public announcements made by Elders Limited and its controlled entities during the half year in accordance with the continuous disclosure obligations of the Corporations Act (2001) and Australian Securities Exchange Listing Rules. The notes to the financial statements do not include all information normally contained within the notes to an annual financial report.

This report has been prepared on a historical cost basis, except for investment properties, derivative financial instruments and available for sale financial assets that have been measured at fair value, and biological assets that are measured at fair value less estimated point of sale costs. The carrying values of recognised assets and liabilities that are hedged with fair value hedges are adjusted to record changes in the fair values attributable to the risks that are being hedged.

For the purpose of preparing the half year financial report, the half year has been treated as a discrete reporting period.

Changes in Accounting Policy

The following amending Standards have been adopted from 1 October 2009. Adoption of these Standards did not have any effect on the financial position or performance of the Group.

- *AASB 8 Operating Segments*

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Group has identified its operating segments to be the four segments of Rural Services, Forestry, Automotive Components and Investment & Other. This is the basis on which internal reports are reviewed and used by the Chief Executive Officer in assessing performance and in determining allocation of resources.

- *AASB 101 Revised Presentation of Financial Statements*

The revised Standard introduces a number of terminology changes, including revised titles for the financial statements, and has resulted in a number of changes in presentation and disclosure.

The following Standards and Interpretations and all consequential amendments, which became applicable for the Group from 1 October 2009, have been adopted. These Standards and Interpretation have not impacted on the financial position or performance of the Group, or on presentation or disclosure in this financial report:

- *AASB 3 Revised Business Combinations*
- *AASB 123 Revised Borrowing Costs*
- *AASB 127 Revised Consolidated and Separate Financial Statements*
- *AASB 2008-1 Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations*
- *AASB 2008-2 Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations arising on Liquidation*
- *AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project*

ELDERS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
HALF YEAR ENDED 31 MARCH 2010

NOTE 1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

Changes in Accounting Policy (continued)

- AASB 2008-6 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project*
- AASB 2008-7 *Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
- AASB 2008-8 *Amendments to Australian Accounting Standards – Eligible Hedged Items*
- AASB 2009-2 *Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments*
- AASB 2009-4 *Amendments to Australian Accounting Standards arising from Annual Improvements Project*
- AASB 2009-5 *Further Amendments to Australian Accounting Standards arising from Annual Improvements Project*
- AASB 2009-7 *Amendments to Australian Accounting Standards*
- Interpretation 16 *Hedges of Net Investments in Foreign Operations*
- Interpretation 17 *Distributions of Non-cash Assets to Owners*
- Interpretation 18 *Transfers of Assets from Customers*

The Group has not elected to early adopt any new standards or amendments.

NOTE 2. REVENUE AND EXPENSES

CONSOLIDATED
6 months 6 months
March December
2010 2008
\$000 \$000

Sales revenue:

Continuing operations:

Sale of goods	830,965	893,788
Sale of biological assets	77,609	52,618
Commission and other selling charges	106,761	110,336
Other sales related income	27,346	36,933
	1,042,681	1,093,675

Discontinued operations:

14

	37,338	324,999
	1,080,019	1,418,674

Expenses:

Continuing operations:

Distribution expenses	148,743	148,806
Marketing expenses	2,483	5,054
Occupancy expenses	18,835	21,630
Administrative expenses	69,511	75,731
Losses on Forestry review	132,174	-
Impairment losses	4,524	27,981
Restructuring, redundancy and relocation costs	834	70,749
Other expenses	15,896	6,714
	393,000	356,665

Discontinued operations:

14

	24,128	367,025
	417,128	723,690

ELDERS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
HALF YEAR ENDED 31 MARCH 2010

NOTE 2. REVENUE AND EXPENSES (continued)

		CONSOLIDATED	
		6 months	6 months
		March	December
		2010	2008
		\$000	\$000
Profit/(loss) on sale of non current assets:			
Property, plant and equipment		235	280
Investments		157	1,278
Loss on sale of controlled entity		-	(818)
		<u>392</u>	<u>740</u>
<i>Discontinued operations:</i>	14	<u>(10,105)</u>	<u>(20,871)</u>
		<u>(9,713)</u>	<u>(20,131)</u>
Included in other expenses is the following specific item:			
Depreciation and amortisation		<u>(13,917)</u>	<u>(19,852)</u>
Disclosure of tax effects relating to each component of other comprehensive income:			
Cash flow hedge and fair value of derivatives		<u>(444)</u>	<u>2,829</u>
Reconciliation between reported profit/(loss) before tax to underlying profit/(loss) after tax:			
Reported Profit/(loss) before tax		<u>(168,004)</u>	<u>(343,606)</u>
<i>Add back: Non-recurring gains/(losses):</i>			
Forestry asset review		(134,590)	-
Net write down of assets to be divested/discontinued		(18,027)	(170,087)
Loss on divestments		(1,409)	(30,633)
Smartfibre – sale not completed		(6,788)	-
Trading result from assets to be divested/discontinued		(1,299)	(7,824)
Impairment losses on assets retained		(4,524)	(29,001)
Refinancing, redundancy, restructuring and other write downs		(7,767)	(40,301)
Write off of other projects and activities		-	(29,893)
<i>Net non-recurring loss before tax</i>		<u>(174,404)</u>	<u>(307,739)</u>
Underlying profit/(loss) before tax		<u>6,400</u>	<u>(35,867)</u>
Reported tax benefit		5,170	14,821
<i>Add back: Tax (benefit)/expense on non-recurring items</i>		(7,291)	(5,310)
Underlying profit attributable to non-controlling interest		<u>(3,164)</u>	<u>43</u>
<i>Underlying profit/(loss) after tax and non-controlling interest</i>		<u>1,115</u>	<u>(26,313)</u>
Net non-recurring loss before tax		(174,404)	(307,739)
Tax benefit/(expense) on non-recurring items		7,291	5,310
Net profit/(loss) attributable to non-controlling interests		70	(421)
<i>Non-recurring losses after tax and non-controlling interest</i>		<u>(167,043)</u>	<u>(302,850)</u>

ELDERS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
HALF YEAR ENDED 31 MARCH 2010

NOTE 3. INCOME TAX

CONSOLIDATED
6 months 6 months
March December
2010 2008
\$000 \$000

A reconciliation of income tax expense applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the Group's effective income tax rate is as follows:

Accounting profit / (loss) before tax from:		
- Continuing Operations	(140,481)	(135,062)
- Discontinuing Operations	(27,523)	(208,544)
Total Accounting profit / (loss) before tax	<u>(168,004)</u>	<u>(343,606)</u>
Income tax expense/(benefit) at 30% (2008: 30%)	(50,401)	(103,082)
Adjustments in respect of current income tax of prior years	2,531	(1,674)
Share of associate (profits) / losses	(5,224)	(136)
Non transferable foreign losses	1,423	3,993
Unfranked dividend income not included in profit	-	166
Employee share plan	410	66
Impairment of assets	22,475	74,651
Utilisation of prior year losses not previously booked	-	(5,026)
Loss on disposal of assets	1,170	15,786
Derecognise deferred tax asset for losses	19,627	-
Other	2,819	435
Income tax (benefit) / expense as reported in income statement	<u>(5,170)</u>	<u>(14,821)</u>
<i>Aggregate Income tax (benefit) / expense is attributable to:</i>		
- Continuing Operations	(2,863)	(18,721)
- Discontinuing Operations	(2,307)	3,900
	<u>(5,170)</u>	<u>(14,821)</u>

ELDERS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
HALF YEAR ENDED 31 MARCH 2010

NOTE 4. DIVIDENDS

CONSOLIDATED
 March December
 2010 2008
 \$000 \$000

Parent Entity Equity dividends on ordinary shares:

Dividends paid during the half year

- Final fully franked dividend of nil per share
 (2008: 55¢ per share, fully franked)

- 42,949

- Hybrid distribution fully franked

- 5,161

- 48,110

Subsidiary Equity dividends on ordinary shares:

Dividends paid to external parties during the half year:

- B&W Rural Pty Ltd dividend \$nil per share (2008: \$4,460 per share, fully
 franked)

- 2,186

- Killara Feedlot Pty Ltd dividend \$nil per share (2008: 0.2¢ per share,
 unfranked)

- 107

- 50,403

ELDERS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
HALF YEAR ENDED 31 MARCH 2010

NOTE 5. INTEREST BEARING LIABILITIES

	CONSOLIDATED	
	March 2010 \$000	September 2009 \$000
Current		
Secured loans ^(a)	27,445	702,419
Unsecured loans	1,641	1,603
Lease liabilities ^(b)	302	453
Secured notes ^{(a) (c)}	-	149,594
Trade receivables funding ^(d)	89,190	-
	<u>118,578</u>	<u>854,069</u>
Non Current		
Secured loans ^(a)	200,838	245,064
Lease liabilities ^(b)	12	112
Secured notes ^{(a) (c)}	125,457	130,719
	<u>326,307</u>	<u>375,895</u>
Costs to be amortised over the period of the secured notes loan	<u>(26,354)</u>	<u>(30,691)</u>
	<u>299,953</u>	<u>345,204</u>
Total Current and Non Current	<u>418,531</u>	<u>1,199,273</u>

(a) Secured loans and secured notes are secured by various fixed and floating charges over the assets of the controlled entities concerned.

(b) Lease liabilities are secured by a charge over the leased assets.

(c) Secured notes are issued in the United States of America financial markets and are denominated in United States dollars.

(d) During the financial period, Elders completed negotiations in respect of its trade receivables financing program. As a result of the new program, a secured interest bearing liability for the trade receivables portfolio has been recognised on the balance sheet as a current liability.

ELDERS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
HALF YEAR ENDED 31 MARCH 2010

NOTE 6. CONTRIBUTED EQUITY

	CONSOLIDATED	
	March 2010 \$000	September 2009 \$000
Issued and paid up capital 448,598,480 ordinary shares (September 2009: 819,165,045)	1,268,013	737,513

On 4 September 2009, Elders announced an equity raising comprising the offering of \$550 million of new ordinary shares in Elders (New Shares) at an offer price of \$0.15 per New Share. The offering was approved by ordinary resolution at the Extra-ordinary General Meeting held on 15 October 2009. The offering comprised of:

- \$400 million fully underwritten conditional placement to institutional investors; and
- \$150 million Share Purchase Plan ("SPP").

As a consequence of approval of this offering, an additional 2.67 billion ordinary shares were issued on 19 October 2009 under the conditional placement and 1.00 billion ordinary shares were issued on 2 November 2009 under the SPP.

A 10:1 share consolidation of Elders Limited shares was completed in January 2010.

	March 2010	
	Number	\$'000
Movements in ordinary shares:		
Opening balance	819,165,045	737,513
Issued capital	3,666,671,060	530,500
Balance before share consolidation	4,485,836,105	1,268,013
Share consolidation 10:1	448,598,480	-
Closing balance	448,598,480	1,268,013

	CONSOLIDATED	
	March 2010 \$000	September 2009 \$000
<u>Hybrid Equity</u>		
Issued and fully paid up	145,151	145,151

As a result of the share consolidation, the calculation of basic and diluted earnings per share, basic and diluted underlying earnings per share and net tangible assets backing by ordinary security have been adjusted retrospectively.

ELDERS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
HALF YEAR ENDED 31 MARCH 2010

NOTE 7. DETAILS OF EQUITY ACCOUNTED ASSOCIATES AND JOINT VENTURES

Name of Associate or Joint Venture	Principal activity of Associate or Joint Venture	Ownership Interest		Contribution to net profit (loss)	
		2010 %	2008 %	2010 \$000	2008 \$000
Air International Thermal (US) Holdings Inc	Automotive	35	35	-	(5,047)
Air International Thermal (Belgium) NC	Automotive	35	35	-	(5,695)
MCK Holdings Pty Ltd (Plexicor)	Automotive	50	50	(129)	(505)
Futuris Automotive Interiors (Anhui) Company Ltd ⁽ⁱ⁾	Automotive	70	70	699	(2,576)
AWH Pty Ltd (formerly Australian Wool Handlers Pty Ltd)	Wool processing	50	50	2,400	1,030
Elders Toepfer Grain Pty Ltd	Grain trading	50	50	710	1
Elders Insurance (Underwriting Agency) Pty Ltd	Insurance distribution	25	-	2,847	-
Rural Bank Limited	Banking	40	50	10,866	11,193
Forest Enterprises Australia ⁽ⁱⁱ⁾	Forestry	13	31	-	3,013
ELF Pty Ltd (HiFert Pty Ltd) ⁽ⁱⁱ⁾	Fertiliser	50	50	-	(1,608)
Agricultural Land Trust	Land management	50	50	32	735
Other				(24)	333
				<u>17,401</u>	<u>874</u>

Aggregate Associate or Joint Venture contribution to net profit/(loss) is attributable to:

- Continuing Operations	17,414	(478)
- Discontinuing Operations	(13)	1,352
	<u>17,401</u>	<u>874</u>

⁽ⁱ⁾ Futuris Automotive Interiors (Anhui) Company Ltd is considered a jointly controlled entity due to the control provided in the shareholders' agreement to the minority parties.

⁽ⁱⁱ⁾ Forest Enterprises Australia and Hi-Fert Pty Ltd have been reclassified in the balance sheet to 'Non current assets classified as held for sale' and are now stated at lower of cost and fair value less costs to sell.

ELDERS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
HALF YEAR ENDED 31 MARCH 2010

NOTE 8. EARNINGS PER SHARE

CONSOLIDATED
6 months 6 months
March December
2010 2008
\$000 \$000

Weighted average number of ordinary shares ('000) used in calculating basic EPS	404,398	79,400
Dilutive share options ('000)	93,871	12,726
Adjusted weighted average number of ordinary shares used in calculating dilutive EPS ('000)	498,269	92,126

Hybrid notes have been included in the calculation of dilutive EPS, as they are believed to be dilutive for the current financial period.

The following reflects the net profit/(loss) and share data used in the calculations of earnings per share (EPS):

Reported Operations

Basic

Net profit/(loss) attributable to members (after tax)	(165,928)	(329,163)
---	-----------	-----------

Dilutive

Operating profit/(loss) after tax	(165,928)	(329,163)
Interest on convertible notes	-	-
Net profit/(loss) attributable to members (after tax) adjusted for the effect of convertible notes	(165,928)	(329,163)

Reported Operations earnings per share:
Basic earnings per share (cents per share)
Diluted earnings per share (cents per share)

(41.0)¢	(414.6)¢
(41.0)¢	(414.6)¢

Continuing Operations

Basic

Net profit/(loss) attributable to members (after tax)	(165,928)	(329,163)
Less: Net loss/(profit) of discontinued operations (net of tax)	25,146	212,865
Net profit/(loss) of continuing operations (net of tax)	(140,782)	(116,298)

Dilutive

Net profit/(loss) of continuing operations (net of tax)	(140,782)	(116,298)
Interest on convertible notes	-	-
Net profit/(loss) of continuing operations (net of tax) adjusted for the effect of convertible notes	(140,782)	(116,298)

Continuing Operations earnings per share:
Basic earnings per share (cents per share)
Diluted earnings per share (cents per share)

(34.8)¢	(146.5)¢
(34.8)¢	(146.5)¢

Discontinued Operations

Net profit/(loss) of discontinued operations (net of tax)	(25,146)	(212,865)
---	----------	-----------

Discontinued Operations earnings per share:
Basic earnings per share (cents per share)
Diluted earnings per share (cents per share)

(6.2)¢	(268.1)¢
(6.2)¢	(268.1)¢

ELDERS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
HALF YEAR ENDED 31 MARCH 2010

NOTE 8. EARNINGS PER SHARE (continued)

CONSOLIDATED	
6 months	6 months
March	December
2010	2008
\$000	\$000

Underlying Operations

Basic underlying earnings	1,115	(26,313)
Basic underlying earnings per share (cents per share)	0.28¢	(33.14)¢
Diluted underlying earnings per share (cents per share)	0.22¢	(33.14)¢

Underlying earnings are earnings from ordinary activities adjusted for specific non recurring items. Non recurring items (net of tax) used in calculating underlying basic and dilutive EPS is \$167.0 million loss (2008: \$302.9 million loss). See note 2 for reconciliation between reported loss and underlying loss.

As a result of the share consolidation detailed in note 6 Contributed Equity, the calculation of basic and diluted underlying earnings per share have been adjusted retrospectively.

NOTE 9. SEGMENT INFORMATION

The Group has identified its operating segments to be the four segments of Rural Services, Forestry, Automotive Components and Investment & Other. This is the basis on which internal reports are reviewed and used by the Chief Executive Officer in assessing performance and in determining allocation of resources.

Rural Services include the provision of a range of agricultural products and services through a common distribution channel and the investment in Rural Bank. Rural Bank was previously included in the Financial Services segment.

Financial Services included the provision of a range of financial services through a common distribution channel. The net assets within this segment were significantly divested in financial year 2009. The investment in Rural Bank is now reported in the Rural Services segment.

Forestry includes the Group's interests in forestry plantations.

Automotive Components include the manufacturing and sales of automotive components of which the key components are seating, interior trim, heating ventilating and air-conditioning systems.

The Investment & Other segment includes the general investment activities not associated with the other business segments and the administrative corporate office activities.

Segment results have been determined on a consolidated basis and represent the earnings before corporate net financing costs and income tax expense.

The Group operates predominantly within Australia. All other geographical operations are not material to the financial statements.

ELDERS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
HALF YEAR ENDED 31 MARCH 2010

NOTE 9. SEGMENT INFORMATION (continued)

March 2010	Rural Services \$000	Forestry \$000	Automotive Components \$000	Investment & Other \$000	Total \$000
External sales	899,703	46,165	134,151	-	1,080,019
Other income	4,575	6,968	9,614	10,153	31,310
Share of net profit (loss) of associates	16,757	-	612	32	17,401
Total revenue	921,035	53,133	144,377	10,185	1,128,730
Underlying EBIT	12,568	7,392	8,631	(7,321)	21,270
Significant items	6,909	(174,369)	-	(5,959)	(173,419)
Segment Result	19,477	(166,977)	8,631	(13,280)	(152,149)
Reconciliation to loss before tax expense and discontinued operations:					
Less: Discontinued operations' results	(11,539)	39,779	-	-	28,240
Corporate net interest expense					(16,572)
Profit before tax expense and discontinued operations per statement of comprehensive income	7,938	(127,198)	8,631	(13,280)	(140,481)

Total assets have decreased by 18.4% since the last annual report. Segment assets for the half-year ended 31 March 2010 are as follows:

March 2010	Rural Services \$000	Forestry \$000	Automotive Components \$000	Investment & Other \$000	Total \$000
Segment assets	1,105,315	489,664	187,637	94,170	1,876,786
Unallocated assets (including tax assets)					197,670
Total assets					2,074,456

ELDERS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
HALF YEAR ENDED 31 MARCH 2010

NOTE 9. SEGMENT INFORMATION (continued)

December 2008	Rural Services \$000	Financial Services \$000	Forestry \$000	Automotive Components \$000	Investment & Other \$000	Total \$000
External sales	1,033,816	123,225	88,669	164,912	8,052	1,418,674
Other income	19,152	33,278	6,931	7,880	948	68,189
Share of net profit (loss) of associates	10,775	-	3,948	(13,894)	45	874
Total revenue	<u>1,063,743</u>	<u>156,503</u>	<u>99,548</u>	<u>158,898</u>	<u>9,045</u>	<u>1,487,737</u>
Underlying EBIT	13,316	-	1,204	(6,792)	(10,708)	(2,980)
Significant items	(219,168)	(3,522)	(43,426)	(21,612)	(24,256)	(311,984)
Segment Result	<u>(205,852)</u>	<u>(3,522)</u>	<u>(42,222)</u>	<u>(28,404)</u>	<u>(34,964)</u>	<u>(314,964)</u>
Reconciliation to loss before tax expense and discontinued operations:						
Less: Discontinued operations' results	154,735	3,522	43,426	-	11,106	212,789
Corporate net interest expense						(32,887)
Profit before tax expense and discontinued operations per statement of comprehensive income	<u>(51,117)</u>	<u>-</u>	<u>1,204</u>	<u>(28,404)</u>	<u>(23,858)</u>	<u>(135,062)</u>

The total assets for the half-year ended 31 December 2008 had not materially changed from the 30 June 2008 annual report, and therefore comparatives for segment assets have not been provided.

ELDERS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
HALF YEAR ENDED 31 MARCH 2010

NOTE 10. SUPPLEMENTARY STATEMENT OF NET DEBT BY SEGMENT

(a) Statement of net debt

March 2010	Rural Services \$000	Forestry \$000	Automotive components \$000	Investment & Other \$000	Total \$000
Earnings before interest and tax	19,477	(166,977)	8,631	(13,280)	(152,149)
Depreciation and amortisation	5,258	686	7,960	13	13,917
Equity accounted earnings	(16,757)	-	(613)	(31)	(17,401)
Dividends received from associates	6,578	-	-	116	6,694
(Profit) / loss on sale of property, plant and equipment	1,087	-	-	-	1,087
Loss on sale of controlled entity	1,409	-	-	-	1,409
Loss on sale of investments	(157)	7,374	-	-	7,217
Interest (net)	(1,460)	458	60	(14,913)	(15,855)
Tax (paid) / refund	(417)	-	-	12,278	11,861
Impairment losses/(reversals), restructuring, redundancy and write down of assets to be divested	4,630	154,260	-	694	159,584
Fair value adjustments on financial assets	3,311	-	-	(1,971)	1,340
Provisions and other	(26,839)	12,541	1,078	555	(12,665)
Operating cash flow before movements in working capital	(3,880)	8,342	17,116	(16,539)	5,039
Movement in working capital	13,733	(11,095)	5,636	(108,871)	(100,597)
Operating Cash Flow	9,853	(2,753)	22,752	(125,410)	(95,558)
Payments for property, plant and equipment	(6,424)	(961)	(1,667)	-	(9,052)
Payment for investment properties	-	(5,157)	-	-	(5,157)
Payment for investments and D&D	(4,804)	-	(1,270)	-	(6,074)
Proceeds on sale of property, plant and equipment	4,738	89	10	-	4,837
Proceeds from sale of investment properties	-	4,852	-	-	4,852
Proceeds on sale of Controlled Entities, net of costs	4,547	86,613	-	-	91,160
Loans (to) / from associated parties (net)	142	416	-	-	558
Loans from growers (net)	-	4,929	-	-	4,929
Investing Cash Flow	(1,801)	90,781	(2,927)	-	86,053
Proceeds from issues of shares	-	-	-	550,000	550,000
Payment for share issue costs	-	-	-	(19,500)	(19,500)
Other	(1,107)	-	-	-	(1,107)
Other Flows	(1,107)	-	-	530,500	529,393
TOTAL	6,945	88,028	19,825	405,090	519,888
Opening net debt					(869,548)
Total flows					519,888
Fair value adjustments to debt					1,971
Closing net debt					(347,689)

ELDERS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
HALF YEAR ENDED 31 MARCH 2010

NOTE 10. SUPPLEMENTARY STATEMENT OF NET DEBT BY SEGMENT (continued)

(a) Statement of net debt (continued)

December 2008	Rural Services \$000	Financial Services \$000	Forestry \$000	Automotive components \$000	Investment & Other \$000	Total \$000
Earnings before interest and tax	(205,852)	(3,522)	(42,222)	(28,404)	(34,964)	(314,964)
Depreciation and amortisation	8,725	386	2,722	8,012	7	19,852
Equity accounted earnings	(10,775)	-	(3,948)	13,894	(45)	(874)
Dividends received from associates	605	7,191	3,153	-	542	11,491
Dividends received under DRP	(7,703)	-	-	-	-	(7,703)
Profit / loss on sale of property, plant and equipment	(300)	-	20	-	-	(280)
Profit / loss on sale of investments	8,256	-	-	-	(404)	7,852
Loss on sale of controlled entity	-	-	-	-	12,559	12,559
Interest (net)	(3,472)	8,342	654	(44)	(35,435)	(29,955)
Tax (paid) / refund	(2,698)	(1,405)	(348)	(128)	(20,596)	(25,175)
Share based payments	-	-	-	-	1,035	1,035
Impairment losses / (reversals), restructuring, redundancy and write down of assets to be divested	163,548	-	49,000	9,968	11,250	233,766
Fair value adjustments on financial assets	(6,405)	-	(4,689)	-	2,066	(9,028)
Provisions and other	5,755	38,813	(445)	767	9,097	53,987
Operating cash flow before movements in working capital	(50,316)	49,805	3,897	4,065	(54,888)	(47,437)
Movement in working capital	(229,020)	(30,437)	(33,081)	(13,158)	(19,144)	(324,840)
Operating Cash Flow	(279,336)	19,368	(29,184)	(9,093)	(74,032)	(372,277)
Payments for property, plant and equipment	(9,407)	(714)	(3,285)	(4,269)	-	(17,675)
Payments for investment properties	-	-	(23,671)	-	-	(23,671)
Proceeds on sale of property, plant and equipment	1,952	-	1,884	1	-	3,837
Proceeds on sale of investments	10,498	182	-	-	(408)	10,272
Proceeds on sale of Controlled Entities, net of costs	(2,423)	-	-	-	38,911	36,488
Payments for investments and D&D Loans (to) / from associated parties (net)	(15,505)	-	-	(2,507)	(84)	(18,096)
Loans to other parties	1,928	-	2,231	-	(19,183)	(15,024)
Loans from growers (net)	-	-	-	-	7,425	7,425
Acquisition of other businesses	-	-	2,475	-	-	2,475
Investing Cash Flow	(3,096)	(595)	-	-	-	(3,691)
Dividends paid	(16,053)	(1,127)	(20,366)	(6,775)	26,661	(17,660)
Dividends underwritten	(2,293)	-	-	-	(32,040)	(34,333)
Other	-	-	-	-	26,879	26,879
Other Flows	(1,939)	-	-	-	(2,558)	(4,497)
TOTAL	(4,232)	-	-	-	(7,719)	(11,951)
TOTAL	(299,621)	18,241	(49,550)	(15,868)	(55,090)	(401,888)

ELDERS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
HALF YEAR ENDED 31 MARCH 2010

NOTE 10. SUPPLEMENTARY STATEMENT OF NET DEBT BY SEGMENT (continued)

(a) Statement of net debt (continued)

December 2008	Rural Services \$000	Financial Services \$000	Forestry \$000	Automotive components \$000	Investment & Other \$000	Total \$000
Opening net debt						(522,975)
Total flows						(401,888)
De-consolidation of Amcom debt						15,964
De-consolidation of Broadwater debt						(614)
Consolidation of Elders Rural Holdings debt						(29,231)
Fair value adjustments to debt						(20,259)
Closing net debt						<u>(959,003)</u>

(b) Reconciliation of net debt balance to balance sheet

	CONSOLIDATED	
	March 2010 \$000	December 2008 \$000
Cash and cash equivalents	83,589	229,391
Interest bearing loans and borrowings	(418,531)	(1,223,892)
Derivatives on interest bearing loans and borrowings	(12,747)	35,498
	<u>(347,689)</u>	<u>(959,003)</u>

NOTE 11. SUBSEQUENT EVENTS

On 1 April 2010, the Group acquired an additional 46.75% interest in the controlled entity, Killara Feedlot Pty Ltd, increasing the Group's interest to 100%.

There are no other matters or circumstances that have arisen since the end of the financial period which is not otherwise dealt with in this report or in the consolidated financial statements, that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

NOTE 12. CHANGES IN CONTINGENT LIABILITIES AND ASSETS

There are potential legal matters that occur in the ordinary course of business that are being considered by the group's legal advisors. Based on the information currently available, in the opinion of the Directors no material contingent liabilities in relation to legal matters exist.

There has been no material change to contingencies disclosed in the most recent annual report.

ELDERS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
HALF YEAR ENDED 31 MARCH 2010

NOTE 13. BUSINESS COMBINATIONS

CHANGES IN THE COMPOSITION OF THE ENTITY

Timber transaction

On 31 August 2009, the Group entered into a binding purchase and sale agreement with Gunns Limited, for the sale of ITC Timber Pty Ltd, an entity which held Elders hardwood timber processing operations as well as its 50% stake in Smartfibre Pty Ltd ("Smartfibre").

On 28 October 2009 the Australian Competition and Consumer Commission (ACCC) issued a Statement of Issues in relation to the sale. To address the ACCC's concerns, the sale was restructured to exclude ITC Timber's 50% stake in Smartfibre.

As at 30 September 2009, the group recognised an overall loss of \$4.2 million in relation to the Timber sale. This included a profit after tax of \$6.8 million for the sale of Smartfibre. As a result of the restructured sale, the Group has derecognised the \$6.8 million profit after tax in the current half year period.

As at 31 March 2010, the investment in Smartfibre Pty Ltd is classified as 'Non current assets classified as held for sale'.

Controlled entities disposed

Financial period 31 March 2010

The Group disposed of its net assets in Elders Trustees Ltd and Tomkin Financial Services Pty Limited on 4 December 2009 to Millennium 3 Financial Services Group Pty Ltd. As part of this transaction, the Group acquired 49% interest in Elders Financial Planning Pty Ltd and records this as an investment in associate.

On 7 December 2009, the Group sold its 100% interest in PlantTech Pty Ltd to Seed Technology and Marketing Pty Ltd ("Seedmark"), which was previously a 50% investment held by the Group through PlantTech Pty Ltd. The Group now still owns 50% of Seedmark subsequent to the transaction.

Financial period 31 December 2008

In the prior year the Group disposed of its controlling interest in Amcom Limited in two tranches. The initial tranche of 170 million shares were sold on 1 September 2008, resulting in Amcom Limited no longer being a controlled entity of the Group. The remaining 100 million shares were sold on 10 December 2008.

	CONSOLIDATED	
	6 months March 2010 \$000	6 months December 2008 \$000
Proceeds received on disposal of assets/shares		
Cash	4,934	38,921
Share capital (i)	4,803	-
Cash balance disposed	(336)	(5,345)
Less costs of disposal	(51)	(167)
	<u>9,350</u>	<u>33,409</u>

ELDERS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
HALF YEAR ENDED 31 MARCH 2010

NOTE 13. BUSINESS COMBINATIONS (CONTINUED)

	CONSOLIDATED	
	6 months March 2010 \$000	6 months December 2008 \$000
The carrying amounts of assets and liabilities disposed of by major class are:		
Receivables	698	4,812
Inventories	-	1,258
Other Assets	148	1,151
Property, plant and equipment	70	67,168
Intangibles	15,755	14,727
Investments	-	45,381
Tax assets and liabilities	(32)	(3,860)
Payables	(1,008)	(6,766)
Provisions	(232)	(652)
Unearned revenue/billings in advance	(4,482)	(6,565)
Other Liabilities	(158)	(1,798)
External borrowings		(21,309)
Net assets/(liabilities) of entity sold	<u>10,759</u>	<u>93,547</u>
Non-controlling interests	-	(48,511)
Profit/(loss) on disposal (before tax)	<u>(1,409)</u>	<u>(11,627)</u>
Loss on disposal of other controlled entities	-	(932)
Total profit/(loss) on disposal of controlled entities	<u>(1,409)</u>	<u>(12,559)</u>

(i) The share capital received as part of the proceeds relates to 49% share in Elders Financial Planning Pty Ltd (previously Pinnacle Partners Pty Ltd). This is a joint venture with Millennium 3 Financial Services Group Pty Ltd which owns the remaining 51%.

ELDERS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
HALF YEAR ENDED 31 MARCH 2010

NOTE 14. DISCONTINUED OPERATIONS AND BUSINESSES DISPOSED

Financial period 31 March 2010

Operations within Wool Processing, Seed Distribution, Financial Planning, and results within Forest Enterprises Australia Ltd and Smartfibre Pty Ltd were classified as discontinued operations during the six months ended 31 March 2010.

Financial period 31 December 2008

Operations within Horticulture, Wool Processing, Insurance broking, Financial Planning, Timber and Telecommunications divisions were classified as discontinued operations for the six months ended 31 December 2008.

This note shows the results of the continuing businesses and the discontinued business for comparative purposes only.

For the half year ended 31 March / December	6 months March 2010			6 months December 2008		
	Continuing \$000	Discontinued \$000	Consolidated \$000	Continuing \$000	Discontinued \$000	Consolidated \$000
Sales revenue	1,042,681	37,338	1,080,019	1,093,675	324,999	1,418,674
Cost of sales	(809,313)	(32,642)	(841,955)	(860,338)	(186,761)	(1,047,099)
Other revenues	17,917	1,310	19,227	20,891	35,517	56,408
Other expenses	(393,000)	(24,128)	(417,128)	(356,665)	(367,025)	(723,690)
Share of net profits/(loss) of associates and joint ventures accounted for using the equity method	17,414	(13)	17,401	(478)	1,352	874
Profit/(loss) on sale of non current assets	392	(10,105)	(9,713)	740	(20,871)	(20,131)
Profit/(loss) before net borrowing costs and tax expense	(123,909)	(28,240)	(152,149)	(102,175)	(212,789)	(314,964)
Interest revenue	11,366	717	12,083	7,536	4,245	11,781
Finance costs	(27,938)	-	(27,938)	(40,423)	-	(40,423)
Profit/(loss) before tax expense	(140,481)	(27,523)	(168,004)	(135,062)	(208,544)	(343,606)
Income tax benefit/(expense)	2,863	2,307	5,170	18,721	(3,900)	14,821
Net profit/(loss) for year	(137,618)	(25,216)	(162,834)	(116,341)	(212,444)	(328,785)
Net profit/(loss) attributable to non- controlling interests	3,164	(70)	3,094	(43)	421	378
Net profit/(loss) attributable to members of the parent entity	(140,782)	(25,146)	(165,928)	(116,298)	(212,865)	(329,163)
Revenue and Expenses						
Sales revenue:						
Sale of goods	830,965	35,246	866,211	893,788	192,821	1,086,609
Sale of biological assets	77,609	-	77,609	52,618	998	53,616
Commission and other selling charges	106,761	-	106,761	110,336	7,955	118,291
Insurance premium revenue	-	-	-	-	118,580	118,580
Other sales related income	27,346	2,092	29,438	36,933	4,645	41,578
	<u>1,042,681</u>	<u>37,338</u>	<u>1,080,019</u>	<u>1,093,675</u>	<u>324,999</u>	<u>1,418,674</u>

ELDERS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
HALF YEAR ENDED 31 MARCH 2010

NOTE 14. DISCONTINUED OPERATIONS AND BUSINESSES DISPOSED (continued)

Revenue and Expenses (continued)	6 months March 2010			6 months December 2008		
	Continuing \$000	Discontinued \$000	Consolidated \$000	Continuing \$000	Discontinued \$000	Consolidated \$000
Other expenses:						
Distribution expenses	148,743	2,428	151,171	148,806	67,532	216,338
Marketing expenses	2,483	61	2,544	5,054	1,734	6,788
Occupancy expenses	18,835	78	18,913	21,630	1,141	22,771
Administrative expenses	69,511	2,551	72,062	75,731	35,434	111,165
Insurance claims & related expenses	-	-	-	-	76,198	76,198
Loss on Forestry review	132,174	-	132,174	-	-	-
Impairment losses	4,524	-	4,524	5,248	61,383	66,631
Restructuring, redundancy and relocation costs	834	-	834	70,749	465	71,214
Write down of assets to be divested or discontinued	-	18,027	18,027	22,733	118,467	141,200
Other expenses	15,896	983	16,879	6,714	4,671	11,385
	<u>393,000</u>	<u>24,128</u>	<u>417,128</u>	<u>356,665</u>	<u>367,025</u>	<u>723,690</u>
Profit / (Loss) on sale of non current assets						
- property, plant and equipment	235	(1,322)	(1,087)	280	-	280
- investments	157	(7,374)	(7,217)	1,278	(9,130)	(7,852)
- controlled entities	-	(1,409)	(1,409)	(818)	(11,741)	(12,559)
	<u>392</u>	<u>(10,105)</u>	<u>(9,713)</u>	<u>740</u>	<u>(20,871)</u>	<u>(20,131)</u>

**ELDERS LIMITED
DIRECTORS' DECLARATION**

In accordance with a resolution of the directors of Elders Limited, we declare that:

In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001 including:
 - (i) give a true and fair view of the financial position as at 31 March 2010 and the performance for the half year ended on that date of the consolidated entity; and
 - (ii) comply with the Accounting Standard AASB 134 Interim Financial Reporting, and the Corporations Regulations 2001;
- (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

On behalf of the Board



R Wylie
Director



M G Jackman
Director

Adelaide
17 May 2010

Independent Review Report

To the members of Elders Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Elders Limited, which comprises the statement of financial position as at 31 March 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 March 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Elders Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Elders Limited is not in accordance with the *Corporations Act 2001*, including:

- i) giving a true and fair view of the consolidated entity's financial position as at 31 March 2010 and of its performance for the half-year ended on that date; and
- ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Ernst & Young



Alan Herald
Partner
Adelaide
17 May 2010

Auditor's Independence Declaration to the Directors of Elders Limited

In relation to our review of the financial report of Elders Limited for the half-year ended 31 March 2010, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A handwritten signature in blue ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in blue ink that reads 'Alan Herald'.

Alan Herald
Partner
Adelaide
17 May 2010