



21 May 2012

2012 Half-Year Results Presentation

Attached is a presentation to be made at the briefing today on Elders Limited's results for the half-year ended 31 March 2012 to be held at 9.00am Eastern Standard Time.

The briefing will be webcast via the Company's website at www.elderslimited.com and open to a conference call. Details of telephone numbers and webcast registration were provided in the Company's release of Thursday, 17 May 2012.

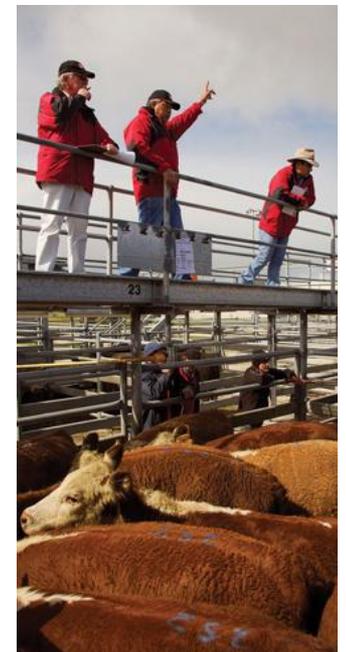
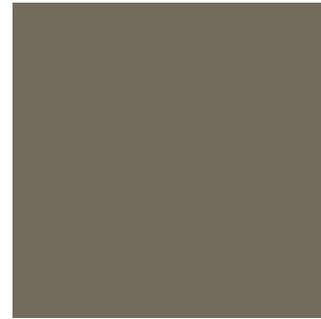
International callers can access telephone numbers at www.elderslimited.com/news/half-year-results-announcement.

Peter Hastings
Company Secretary

H1 2012

Results for the six months to 31 March 2012

21 May 2012



Key messages in H1 12 Results

H1 results in line with market conditions. Expect H2 to feature cash inflows, new auto contracts and, subject to season, winter cropping sales peak.

- First half affected by flooding and cut-backs to Australian auto volumes
- Non-flood-affected Rural Services network operations performed solidly
- Strong rebound in Trading income driven by expanded and diversified live export
- Execution of Forestry Capital Release program is returning cash and will provide substantial inflows in H2 12
- Debt levels set for reduction in H2 12 through forestry transactions, seasonal inflow and cash receipts from successful objection to ATO



2012 First half main features

Statutory profit up, underlying earnings in line with market conditions

- Statutory profit after tax of \$40.5m compared to H1 11 loss of \$(14.6)m
- Discontinued and non-operating items totalling \$34.4m after tax
- Continuing sales revenue down 2% to \$1,029.2m
- Underlying EBIT of \$21.3m down from \$22.1m
- Underlying NPAT of \$6.1m down from \$7.5m
- Success in longstanding objection to Amended Tax Assessment
- Signed cornerstone transaction in Forestry Capital Release Program
- Net debt of \$373.4m to be reduced in H2 by cash proceeds from settlement of forestry asset sales and Amended Tax Assessment refund
- Underlying EBIT from Rural Services and Auto generally in-line with pcp, albeit with favourable mark-to-market.
- First half rainfall disrupted livestock sales but has left good soil moisture and water availability for agriculture



Profit and loss

\$ million	H1 12	H1 11
Sales revenue from continuing operations	1,029.2	1,046.3
Underlying EBIT	21.3	22.1
Net underlying borrowing costs	(12.7)	(12.6)
Underlying profit before tax	8.6	9.5
Tax on underlying profit	(1.1)	0.0
Non-controlling interests	(1.4)	(2.0)
Underlying profit/(loss) to shareholders	6.1	7.5
Items excluded from underlying profit	34.4	(22.1)
Reported net profit/(loss) to shareholders	40.5	(14.6)



Reconciliation of statutory and underlying profit

Reconciling items principally relate to Amended Tax Assessment and Forestry

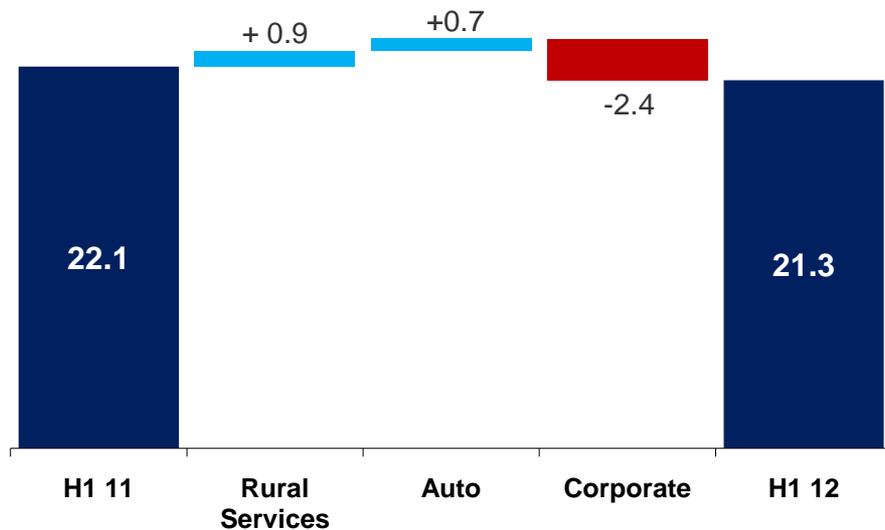
\$ million	H1 12	H1 11	Key items in H1 12
Statutory Profit/(loss) after tax	40.5	(14.6)	
Items excluded from underlying profit:			
Rural Services	(1.5)	2.0	<i>Discontinued operations in wool trading and seed.</i>
Automotive	(1.9)	(0.1)	<i>Redundancies</i>
Corporate	(2.9)	(26.1)	<i>Refund of interest from ATO offset by Forestry-related items including trading results of discontinued operations, interest on forestry designated finance.</i>
Net tax impact	40.7	(2.1)	<i>Refund and writeback of provisioning as a result of amended tax assessment, reduction in Deferred Tax Asset for carried forward losses</i>
Items excluded from underlying profit after tax	34.4	(22.1)	
Underlying NPAT to shareholders	6.1	7.5	



Underlying EBIT movement

Slight increase from Rural Services and Auto offset by Corporate

Movement in underlying EBIT \$m



\$ million	H1 12	H1 11
Rural Services	21.1	20.2
Automotive	5.4	4.7
Corporate	(5.2)	(2.8)
Total Underlying EBIT	21.3	22.1



Key balance sheet items

Inventory livestock and creditors reduced on pcg

2012 maturities reflected in current/non current classifications

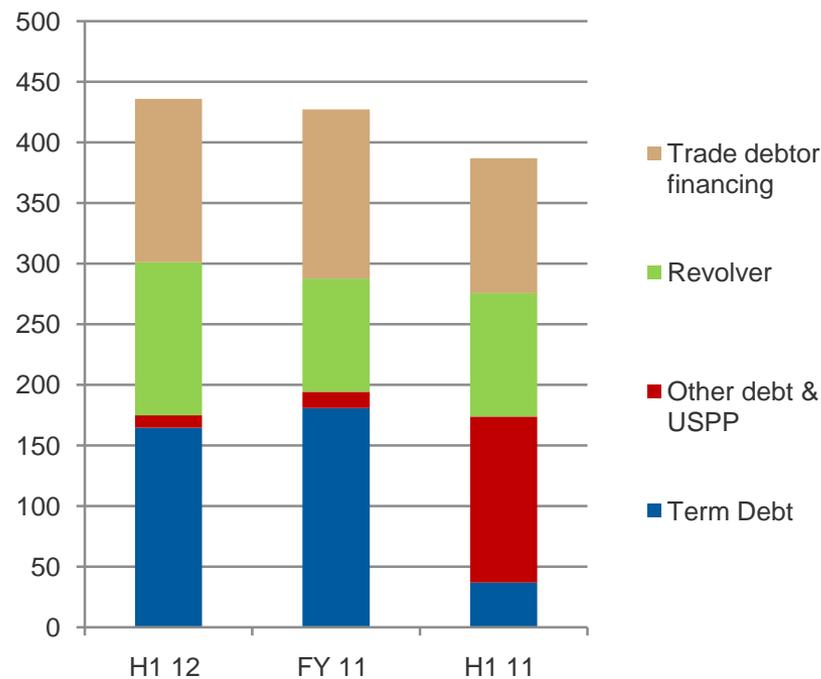
\$ million	H1 12	FY11	H1 11	
Inventory & livestock	263.3	241.6	303.6	Farm supplies inventory reduced from pcg
Trade debtors	520.4	540.8	504.7	Includes \$38.5m receivable from ATO
Trade creditors	(371.7)	(433.9)	(420.0)	Lower livestock purchases and sales
Working capital	412.0	348.5	388.3	Y.O.Y. reduction once ATO debtor excluded
Cash	62.5	81.6	38.3	
Non-current assets held for sale	165.9	185.9	7.2	
Investment property	-	3.0	261.8	
Current borrowings	(351.6)	(196.1)	(305.3)	Recognition of working capital maturities and intended second half term debt paydowns
Non-current borrowings	(84.3)	(231.0)	(81.5)	
Gross Borrowings	(435.9)	(427.1)	(386.8)	
Hybrid equity	(145.2)	(145.2)	(145.2)	
Shareholders' equity	647.3	604.7	979.5	



Debt

Gross debt increased on short term forestry finance. Transitioning to reduced term debt and increased seasonal finance structure

<i>\$ million:</i>	H1 12	FY 11	H1 11
Term Debt	164.6	180.9	37.1
Other debt & USPP	10.2	13.5	136.8
Revolver	126.4	93.2	101.7
Trade debtor financing	134.7	139.5	111.2
Gross debt	435.9	427.1	386.8
Debt related Derivatives	-	-	13.4
Cash	(62.5)	(81.6)	(38.3)
Net debt	373.4	345.5	361.9
Gearing	58%	57%	37%



Cash flow

Positive cash generation prior to working capital movements

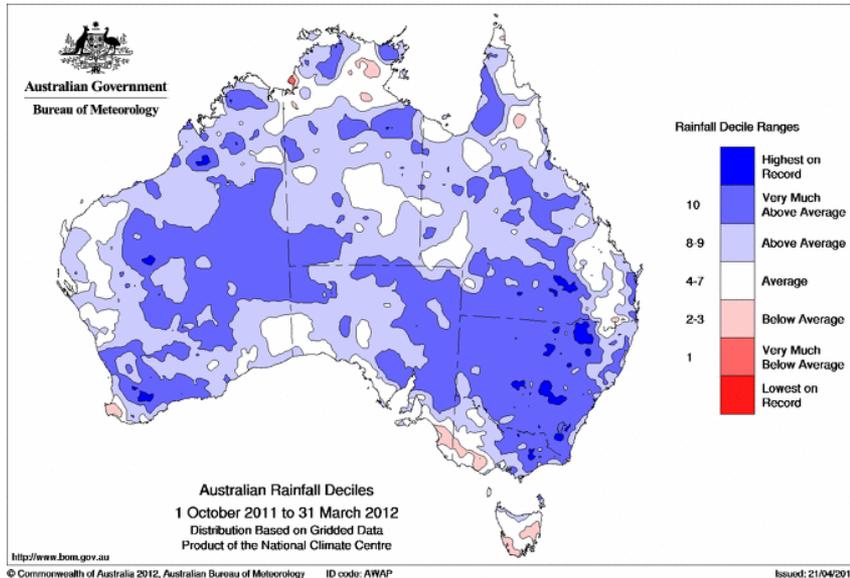
\$ million	Total	Forestry	Total ex-Forestry	Rural Services	Auto	Corporate
Operating cash flow:						
before working capital	17.2	(11.6)	28.8	28.8	19.8	(19.8)
working capital movement	(57.1)	(14.0)	(43.1)	(28.6)	(20.7)	6.2
Total cash from operations	(39.9)	(25.6)	(14.3)	0.2	(0.9)	(13.6)

- Outflow principally driven by outgoing forestry assets
- Rural Services working capital reflects seasonal build-up in stock prior to H2 winter cropping sales season



Seasonal and market conditions

H1 12 featured good rains, but lower activity levels in some markets



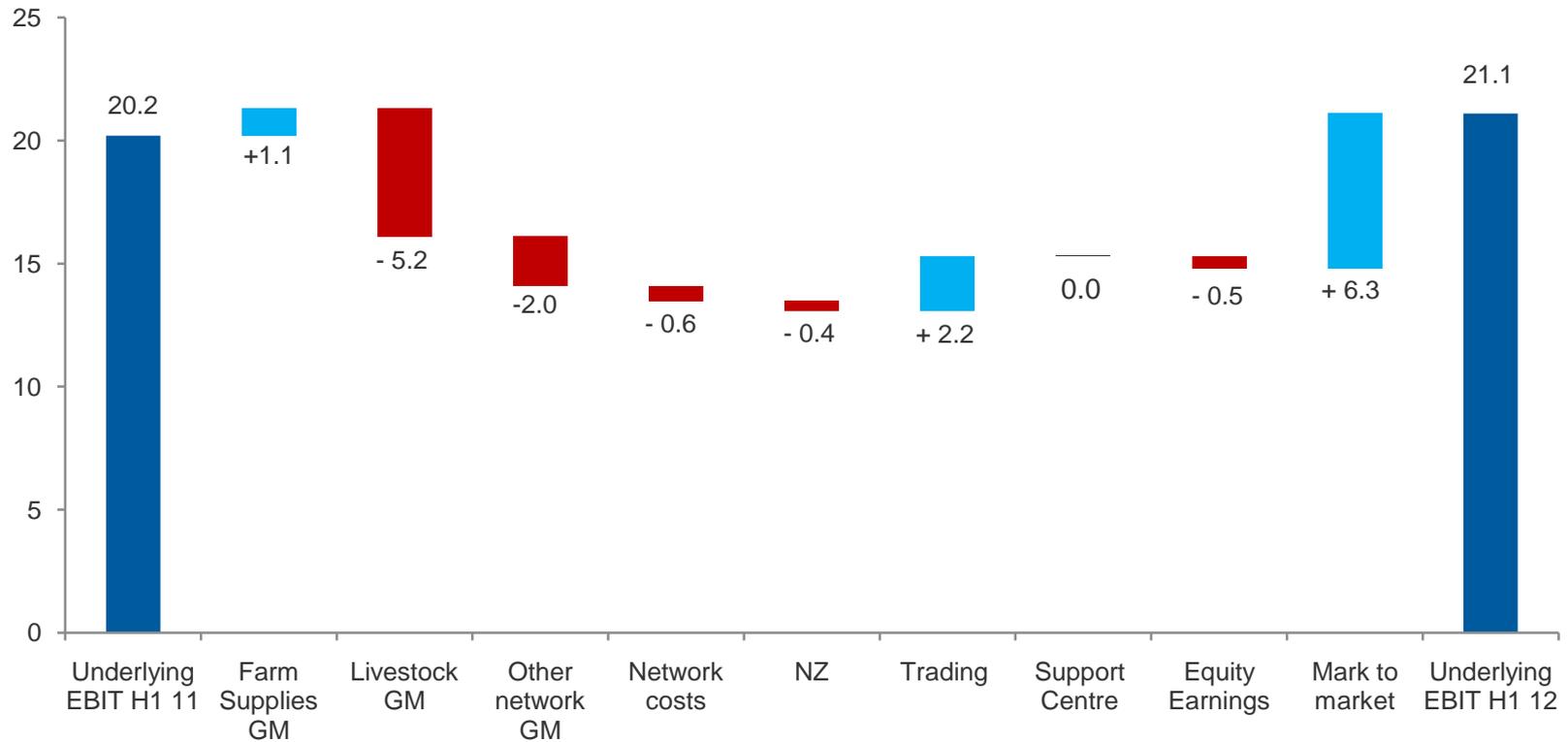
- Better-than-average to average rainfall in most regions in 6 months to March 12
 - good soil moisture and feed availability
 - flooding in eastern Australia impacted activity levels
 - horticulture, rice, cotton continuing to rebound
- Farm supplies
 - lower demand for insecticide and fungicide
 - lower prices for MAP and Ag Chem
 - falling MAP prices prompted deferral of MAP buying
- Livestock
 - tight supply due to feed availability and restocking
 - sale disruption brought by flooding and high rainfall
 - Impacted by A\$, disrupted live export demand
- Real estate
 - lower activity levels
 - offshore interest
- Financial Services
 - growers consolidating and reducing risk
 - lenders taking conservative position

Rural Services EBIT movement

Farm Supplies, Trading and mark-to-market offset lower activity levels in Livestock and other agency business

Contribution to underlying EBIT movement

\$ million



Network performance

Stronger Farm Supplies results despite falling prices. Total result affected by lower activity levels in agency markets of livestock, wool and real estate.

H1 12 vs H1 11	Sales	Gross Margin
AgChem	- 3%	+ 6%
Fertiliser	- 6%	+ 8%
Farm Supplies (total)	+1%	+ 2%
Livestock	- 8%	- 11%
Wool	+ 5%	- 8%
Real Estate	- 6%	- 1%
Total Australian Network	<i>unchanged</i>	- 4%
Earn per employee	+ 3%	- 2%
Cost-to-earn ratio	n.a	- 4 pp



Trading performance

Growing live export business in both breeder and feeder markets

- **International live export sales and earnings increased, business model improved**
 - Increase in global long haul trade for dairy and beef cattle
 - Margin growth in short haul trade
 - Ongoing development of Elders International Trading:
 - diversification and mitigation of risk, demand and supply through global sourcing and markets
 - shipping alliance benefiting competitiveness, costs and long term planning capability
- **Feedlot trading**
 - volumes in line with pcp
 - grain-fed models impacted by higher livestock prices
 - flow through of AUD and softer international demand impacts
- **Wool**
 - wool trading focussed on NZ wool to Asian markets
 - contribution down on lower volumes

\$ million	H1 12	H1 11
Sales revenue	224.2	216.7
Gross Margin	16.1	14.0
Total Underlying EBIT	5.3	3.1



Futuris Automotive

Results reflective of vehicle industry trends

FUTURIS

- Australian and Chinese markets demonstrating growth at modest rates in 2012
 - Australian passenger vehicle build up 2.6 % yoy
 - China sales of light vehicles up, albeit with slower growth rate
- H1 12 results include initial consolidation of Anhui joint venture (Chery) in China
 - sales revenue up \$8.8m excluding consolidation of Anhui JV
 - Australian sales up slightly, but margin affected by change in mix towards Cruze
- China
 - New programmes with Chery, as well as a new customer in GAC GoNow
 - New joint venture with Brilliance Huarui
- Preparation for new contracts in H2 12
 - Thailand: Ford Interiors and GM Seating from May / June
 - USA: Tesla slow ramp-up from May
 - Non automotive: light rail interiors, cleantech customers

\$ million	H1 12	H1 11
Sales revenue	168.7	142.7
Futuris Underlying EBIT	5.7	4.7
Joint ventures EBIT	(0.3)	-
Total Underlying EBIT	5.4	4.7



Australian automotive market

Australian large car production continues to face challenges

- Large car production down, small car production up
 - Export market still not recovered (high AUD)
 - Addition of Holden Cruze has enabled total production to be on par, whilst large car production in decline
 - Futuris is largest domestic supplier for Cruze (revenue and value add are however lower per vehicle than Commodore)

Vehicle production	H1 12	H1 11
GM Holden Commodore	25,700	32,600
GM Holden Cruze	17,900	900
Ford Falcon	11,400	13,500
Ford Territory	8,500	6,000
Toyota Camry & Aurion	44,700	52,500
Total vehicle production	108,200	105,500

- Future local vehicle production

- Toyota current model production until 2015 (further models in planning review phase)



- Ford Australia commitment to Falcon and Territory to 2016 (\$103m investment includes \$34m Federal support)



- GM Holden launches new Commodore from 2013 and commits to two new models through to 2022 (\$1.3bn investment includes \$275m Government support)



Futuris new contracts

Incremental contracts commencing production next 12 months

FUTURIS

Ford Ranger



- Thailand
- Interior trim
- SOP April 2012

Ford Focus



- Thailand
- Interior trim
- SOP May 2012

GM Trailblazer



- Thailand
- Seating
- SOP June 2012

Various China



- China
- Seating
- Multiple SOPs

Tesla Model S



- USA
- Seating
- SOP May 2012



Bombardier



- Australia
- Tram interiors
- SOP June 2012

Queensland Rail



- Australia
- Seating
- SOP early 2013



Forestry Capital Release Program

Program results to date include sale, or contracts to sell, 65% of land holdings and other assets for anticipated cash proceeds of \$90 million

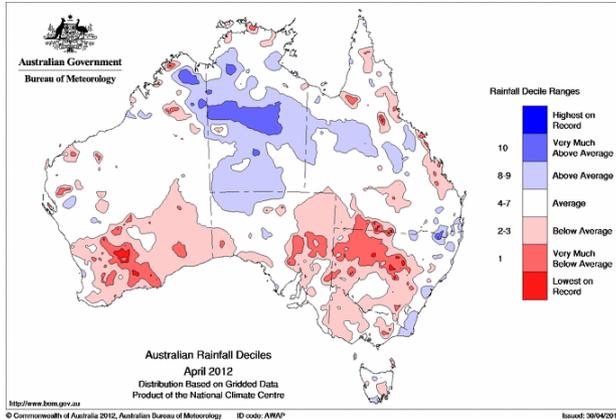
Forestry Assets and Operations

Albany, Bunbury & Green Triangle freehold land, and plantations	Subject of sales agreement with GFP. Includes 12,400 ha of freehold land, 34,000 ha of plantations. 7,400ha of standing 'infant' timber of 4yo or less remains
Albany Woodchip Terminal Facility	Subject of sale agreement with GFP
Central Queensland land	19,000 ha sold, 1,000 ha remaining and subject to sales process
Surplus North Queensland land	Sales process underway for 2,700ha
Esperance estate	10,900 ha freehold land, 46,500 ha standing timber
Other leased pulpwood	Sales process underway for 35,000 ha leased in Albany, Bunbury and Green Triangle
Sandalwood estate	Sales process underway for 2,100 ha standing timber and 1400ha freehold land
Teak	1,600 ha of freehold land, 2,300 ha of Teak projects

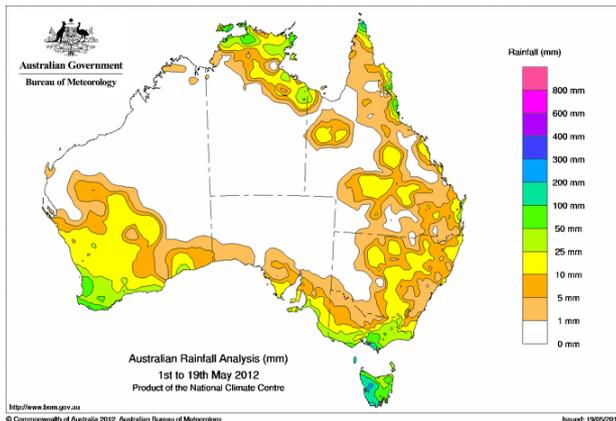


Second half Rural Services conditions

Activity levels lifted in cropping and livestock; live export expected to hold trend



April 2012



May to date



- April wetter in the north, drier in the south
- Livestock
 - Sales activity up in April through catch-up of sales deferred by Q2 rain, drier conditions and cash management considerations
 - sales volume increasing and above pcp in April
 - but prices falling and now trending below FY 11 pcp
- Farm supplies
 - later season but cropping activity well underway, supported by strong soil moisture profile and some rainfall
- Trading expecting growth trend to continue based on live export contracts currently held

Progress around FY12 priorities

6 Operational priorities have been set for 2012

1. Successful execution of Forestry divestment program

- 65% of freehold land sold or subject to contract
- cash of \$22 million received in H1 12 and at least \$45m anticipated from contracts to be settled in H2
- H2 ongoing focus on outstanding assets and estate
- Forestry staff and management levels being reduced in line with business disbandment

2. Further reduction in debt and working capital requirements

- set to achieve reduction in debt in H2 12 from receipt of forestry proceeds and ATO refund
- working capital reduced in H1 prior to ATO receivable, further progress targeted in H2

3. Maintain positive turnaround in network performance, with gains in sales, margins and operating efficiencies

- ongoing consolidation of improved farm supplies performance
- appointment of D Goodfellow as Group General Manager Australian Network
- full year performance required for assessment of progress

4. Return Trading operations to traditional profitability levels

- first half on track with 15% lift in earnings

5. Ongoing development of Futuris in Asia Pacific and successfully commence new contracts

- consolidation of Anhui joint venture
- new contracts won and commenced in China and Thailand
- to commence supply of new contracts in second half

6. Deliver improved financial outcome for shareholders

- full year performance required



H1 2012

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