17 September 2009

The Manager
Company Announcements Office
Australian Securities Exchange
Exchange Centre
20 Bridge Street
Sydney, NSW, 2000

Dear Sir/Madam

Letter to Elders Hybrid Holders

Please find attached a copy of a letter dispatched to Elders Hybrid security holders along with a copy of the previously lodged notice of EGM:

Yours sincerely

Ross Mallett

Company Secretary

Elders Limited ABN 34 004 336 636 Registered office: Level 3, 27 Currie Street, Adelaide, South Australia 5000.
Postal Address: GPO Box 1176, Adelaide, South Australia 5001.
Telephone: (08) 8425 4000 Facsimile: (08) 8410 1597

Elders Limited
ABN 34 004 336 636

000001 000 ELD
MR JOHN SMITH 1
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

11 September 2009

Dear Elders hybrid holder,

Elders Hybrids: Payment of Distributions

On 4 September 2009, Elders announced a comprehensive recapitalisation and refinancing package to establish a strong and sustainable balance sheet to support the Company's turnaround plans.

Essential elements of this package require shareholder approval and a copy of the notice of the Extraordinary General Meeting of shareholders being held on 15 October 2009 is attached for your information.

In order to secure the recapitalisation, it was necessary for the directors of Elders to resolve to suspend payment of distributions on the hybrid security (trading as ELDPA) for a period of two years, namely to and including the quarter ended September 2011. Payment of dividends to ordinary shareholders has also been suspended - until 31 March 2012.

This decision was not taken lightly but as a necessary element of the conservative cash management regime Directors have committed to in order to secure the refinance and recapitalisation package the Company required. Upon completion, this package will see Elders regain a strong and sustainable balance sheet.

We appreciate the decision to suspend the distribution payments will be a disappointment to many hybrid holders, but it is clearly in the best interests of the Company, its shareholders and hybrid holders given the circumstances.

The resumption of distribution payments to hybrid note holders and the payment of dividends are regarded as important by the board of directors and it is the Company's intention that this be achieved as soon as practicable. However under the terms of the agreed debt package, this will not occur until after September 2011 (in the case of hybrid distributions) and 31 March 2012 (in the case of dividends).

On behalf of the Directors, I thank you for your support of Elders.

Yours faithfully

Malcolm Jackman
Chief Executive & Managing Director