17 May 2010

Company Annoucements Office
Australian Securities Exchange

2010 Half Year Results Presentation

Attached is a presentation to be made at the briefing on Elders Limited's results for the half year ending 31 March 2010 at 9.00am Eastern Standard Time today. The briefing will be webcast via the Company's website (www.elders.com.au) and open to a conference call using the telephone numbers advised in the Company's release of 14 May 2010.

Peter Hastings
Company Secretary

H1 2010

Results for the six months to 31 March 2010

Results presentation
17 May 2010

2010 First half main features
Improvement and momentum across the business

- Underlying EBIT of $21.3 million up from pcp of $1.6 million
- Underlying net profit after tax of $1.1 million up from pcp loss of $(21.8) million
- Non-recurring items of $(167.0) million after tax
- Reported loss to shareholders of $(165.9) million vs pcp loss of $(328.8) million
- Strong cash performance vs seasonal trends
- Gearing of 36% down from 128% at start of FY10 (27% if trade debtor financing is excluded).
- Rural Services showing gains in Australian network as volumes recover, margins lift, and cash generation rises
- Forestry Asset Review completed with balance sheet adjustments of ($131) million after tax.
- Forestry showing increased earnings from cost improvements and poised for 2010 MIS season
- Automotive operations recovering with earnings and cash rebound

Profit and loss
Significantly improved NPAT and EBIT

$ million	H1 10	PCP 09
Sales revenue from continuing operations	**1,042.7**	1,009.1
Underlying EBIT	**21.3**	1.6
Net interest cost	**(14.9)**	(31.3)
Underlying profit before tax	**6.4**	(29.7)
Tax	**(2.1)**	7.6
Non-controlling interests	**(3.2)**	0.3
Underlying profit/(loss) to shareholders	**1.1**	(21.8)
Non-recurring items after tax	**(167.0)**	(307.0)
Reported net profit/(loss) to shareholders	**(165.9)**	(328.8)

Non-recurring items
Principally arising from Forestry Review

$ million

	Pre-tax	Post-tax
Forestry Asset Review	(134.6)	(131.0)
Net writedown of assets to be divested or discontinued	(18.0)	(18.0)
Non-completion of SmartFibre sale	(6.8)	(6.8)
Loss/Gain on divested assets	(1.4)	(1.4)
Results from discontinued operations/assets held for sale	(1.3)	1.1
Impairment of assets retained	(4.5)	(4.5)
Refinancing, Redundancy and other write-downs	(7.8)	(6.4)
Total Non-recurring items	(174.4)	(167.0)

Underlying earnings by business unit

First half earnings growth principally sourced from automotive recovery, interest and cost reductions

$ million	H1 10	PCP 09	Movement	Key result drivers
Rural Services EBIT	**12.6**	13.2	-0.6	▪ *Margin cost and volume improvement offset impact of lower prices* ▪ *Change to insurance distribution model has EBIT impact of $(9)m compared with PCP 09*
Forestry EBIT	**7.4**	4.3	+3.1	*Restructuring and cost improvement*
Automotive EBIT	**8.6**	(10.3)	+18.9	*Industry recovering and cost improvement*
Investment & other	**(7.3)**	(5.6)	-1.7	
H1 10 EBIT	**21.3**	1.6	+19.7	
Net Underlying interest	**(14.9)**	(31.3)	+16.4	*Lower debt, lower margins, amortisation of debt restatement provision*
Underlying profit/(loss) before tax	**6.4**	(29.7)	+36.1	

Cash flow from operations
Whole-of-business focus delivers improved cash generation

$ million	H1 10	PCP 09	Movement
Rural Services	**9.9**	(68.2)	+78.1
Forestry	**(2.8)**	(26.5)	+23.7
Automotive	**22.7**	12.3	+10.4
Corporate & other (ex trade debtor financing)	**(36.2)**	(45.5)	+9.3
Operating cash flow (excluding trade debtor financing)	**(6.4)**	**(127.9)**	+121.5
Trade debtor financing (Included in Corporate and other working capital in Appendix 4D)	**(89.2)**	n/a	**(89.2)**
Cash flow from Operating Activities	**(95.6)**	**(127.9)**	+32.3

Balance sheet items

$ million	March 10	Sept 09
Inventory	**302.7**	**296.3**
Trade debtors	**401.1**	**323.1**
Trade creditors	**353.8**	**362.7**
Working capital	**350.0**	256.7
Cash: unrestricted	**79.0**	367.4
Cash: total	**83.6**	367.9
Trade debtor financing	**89.2**	-
Other Current borrowings	**29.3**	854.1
Non-current borrowings	**300.0**	345.2
Gross Borrowings	**418.5**	1,199.3
Hybrid equity	145.2	145.2
Shareholders equity	1,062.2	701.7
Net debt	**378.7**	900.7
Gearing %	**36%**	128%

Long standing program brought on balance sheet as interest bearing debt at March 2010

Finance

Proceeding according to plan

- Operating within covenants
- Trade debtor financing excluded from covenant metrics
- Operating on commercial basis as evidenced by Killara transaction
- De-leveraging available from 30 September 2010 subject to satisfaction of metrics

Covenant	First Test Date	March 10 Actuals	FY2010 (Sep-quarter)	FY2011 (Sep-quarter)	FY2012 (Sep-quarter)
Gross Debt / EBITDA	30 June 2010	4.6x	<6.0x	<3.75x	<2.5x
EBITDA / Interest	30 June 2010	2.3x	>1.2x	>2.5x	>3.25x
Gearing (Gross Debt / Equity)	31 December 2009	31%	<60%	<55%	<45%

Rural Services Scorecard

Improvement in % margins, cash and costs

	Movement between March 09 and March 10 in:			
	Sales Revenue	Gross Margin $	Gross Margin %	**What happened**
Network	▼ 13% (- $80.6m)	▼ 3% (-$4.1m)	▲ 2.5%	■ Strong rebound in volumes offset by lower farm supply prices (Ag-Chem & Fert down 30% - 40%). Change in WA fert. model. ■ Loss of insurance distribution EBIT of $12 million.
Network related	▲ 38% (+$2.0m)	▲ 14% (+$2.1m)	▲ n/a	■ Addition of Elders Insurance JV EBIT of $3 million
Meat and Livestock Trading	▲ 32% (+$61.6m)	▼ 26% (-$5.0m)	▼ -4.3%	■ Live export margins down due to ship downtime in Q1 and temporary closure of Indonesian market
New Zealand	▲ 43% (+$23.3m)	▲ 8% (+$0.9m)	▼ -5.0%	■ Unprofitable. Depressed local farm sector. Branch rationalisation. Sales up due to ex BWK wool trading activity
Total Rural Services	▲ 1% (+$6.3m)	▼ 4% (-$6.1m)		
Rural Services costs		▼ 3% (-$5.5m)		
Rural services operating cash flow		▲ 123% (+84.2m)		

Australian Network

Increased contribution despite significant price disadvantage

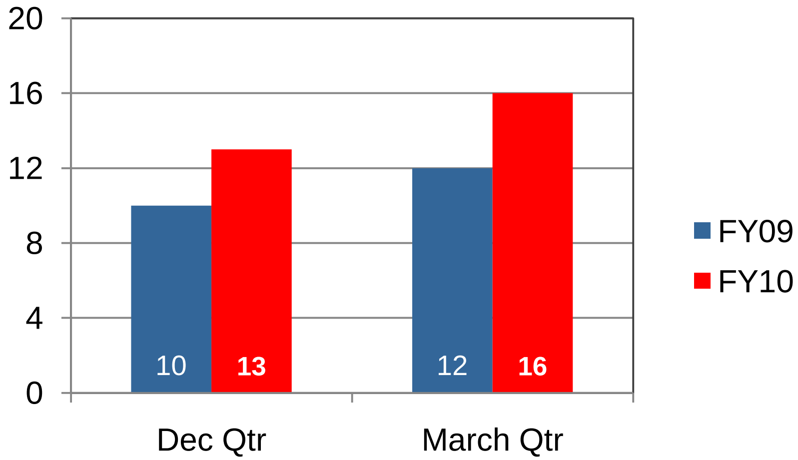
$ million	H1 10	PCP 09	Change
Sales revenue	**522.6**	603.2	-13%
Gross margin	**124.5**	128.6	- 3%
Costs	**(95.7)**	(106.3)	-10%
Contribution	**28.8**	22.3	+29%
Gross Margin %	**23.8%**	21.3%	+2.5%
Sales revenue			
Farm supplies	**394.6**	475.3	-17%
Livestock	**53.5**	55.3	- 3%
Wool	**29.7**	25.5	+ 16%
Real Estate	**30.3**	29.8	+2%
Financial services	**12.8**	15.7	-18%
Other	**1.7**	1.6	+ 6%

- Increased contribution despite 13% lower sales revenue
- Impacted by lower prices eg average prices:
  - Glyph 450: $3.74/l vs $7:35/l (↓ 49%)
  - MAP: $618.03/t vs $941.88/t (↓ 34%)
  - Urea: $476.47/t vs $812.71/t (↓ 41%)
- Lower sales principally due to :
  - Farm supplies (down $81 m) due to lower prices
  - Livestock due to lower cattle prices and volumes
  - Financial services: divestment of Elders Insurance in September 09

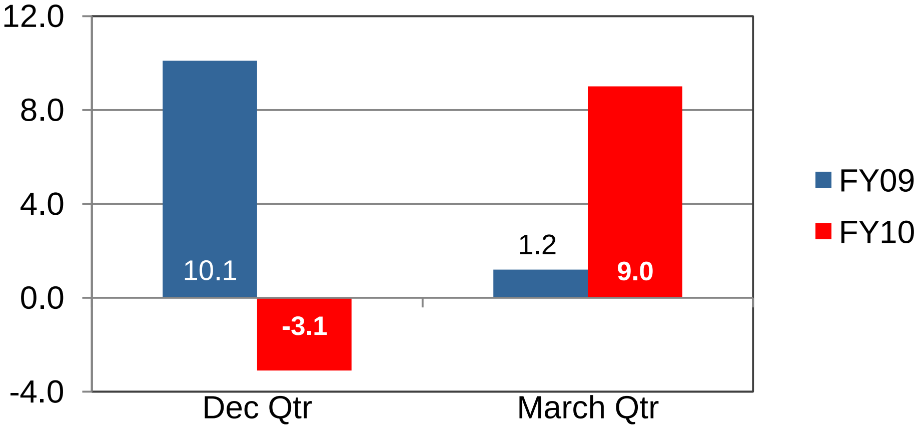
A closer look at Rural Services performance...

Second quarter momentum evident in key EBIT measures

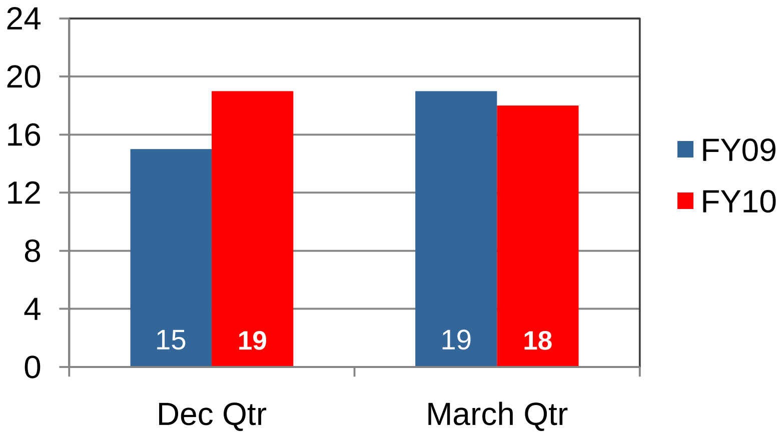
Australian Network contribution ($m)



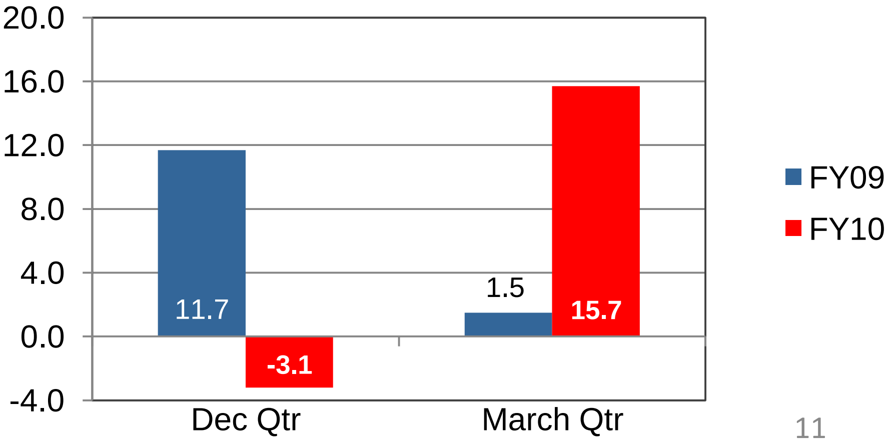
Meat and livestock contribution ($m)



Corporate & support costs ($m)

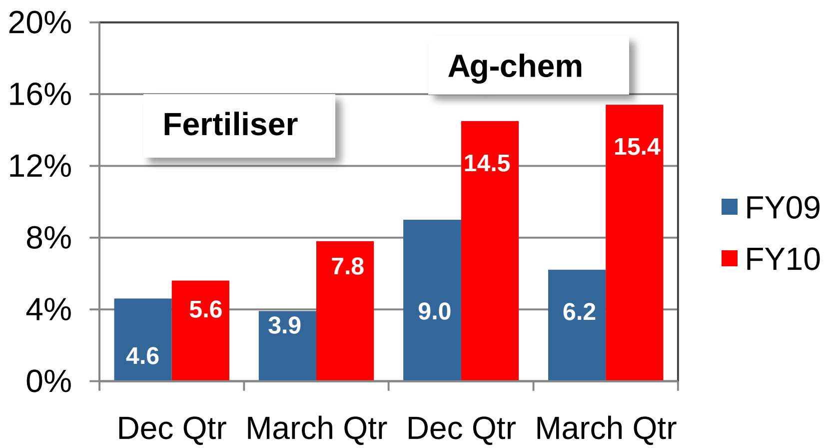


Underlying EBIT ($m)

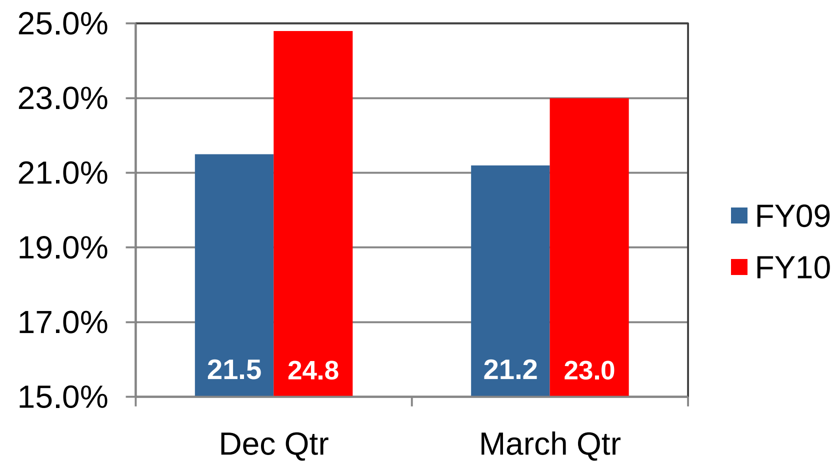


Network quarterly performance…
Strong rebound in farm supply % margins & volumes

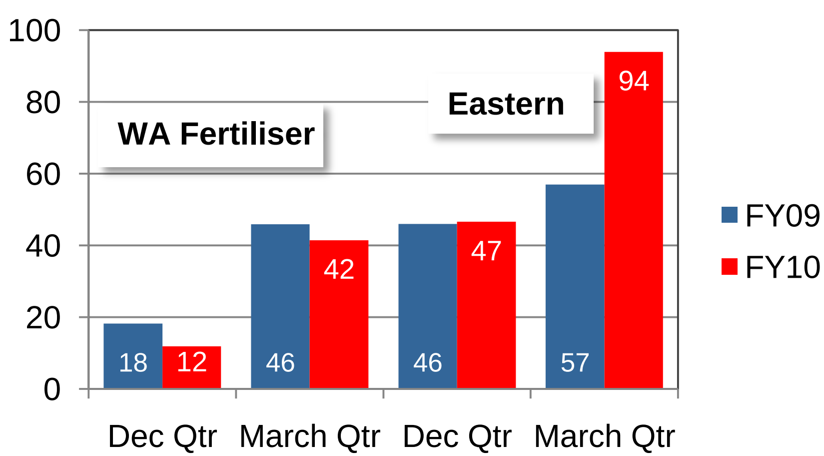
Key farm supply margins benefitting from supply chain reforms



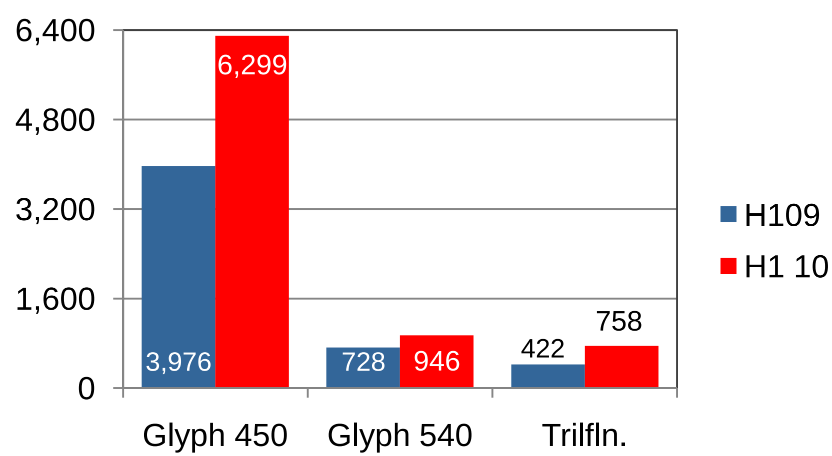
Network gross margins



Fertiliser volumes (solids, k tonnes)



Ag Chem volumes selected lines kl



Supply chain reform update

Midway through 3 year program with results to date on plan

Planning better

Integrated sales and operations planning embedded

Forecasting capability improving following successful technology implementation and front line feedback

Collaborating with suppliers up the chain for better outcomes

Buying better

Beginning to partner with fewer more strategic suppliers aligned with our strategies

Move from win/lose relationships to win/win

Midway through 3 year plan to target procurement initiatives. Outcome to date in line with plans

Fewer purchasing transactions, representing higher volumes, higher value = greater efficiency

Moving & storing better

Re-organised logistics around 3 distribution centres

- Freight costs cut 10%+

Right stock @ right time improving

- Stock availability up 30%

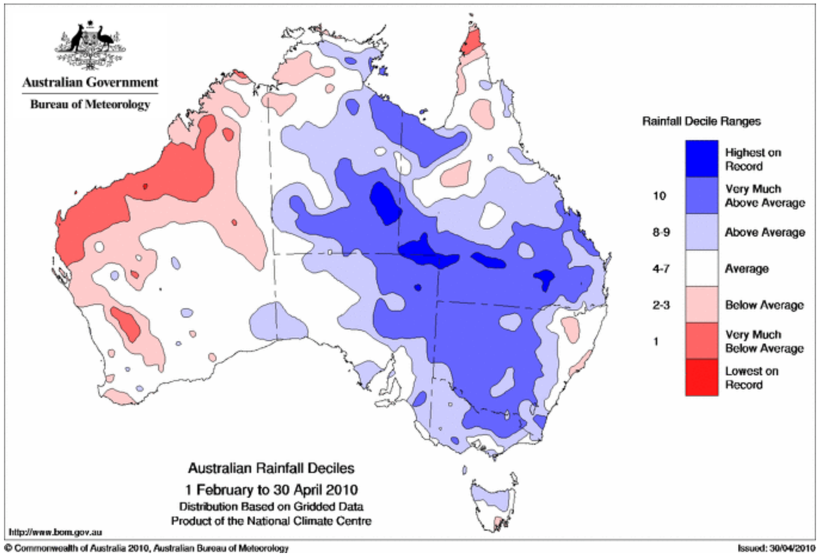
Overall stock turns up 20%+

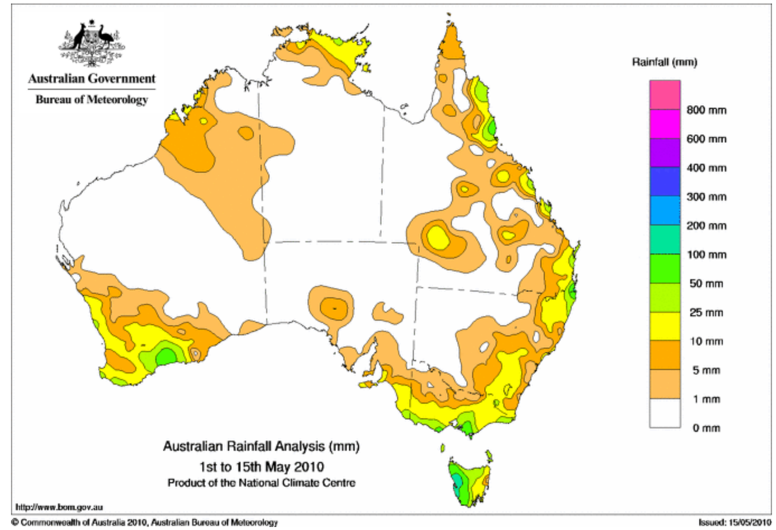
DC Rebate work on track for targeted benefits

- Negotiations with 40 Tier 1 suppliers nearing completion
- Commencing with 80 Tier 2 suppliers

2010 seasonal conditions

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





Good lead up 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

..May drier than average so far, with West still waiting

- Cropping activity underway with increasing confidence in eastern and southern grain regions
- WA still waiting on seasonal break
- Confidence returned to irrigating producers
- Eastern livestock activity & trade to pick up as floodwaters recede and fattened stock enter market

Forestry

$ million	H1 10	PCP 09	
Continuing Sales Revenue	**46.2**	49.4	
Total Continuing Revenue	**53.1**	57.5	
Underlying EBITDA	**8.1**	3.8	
Depreciation & Amortisation	**0.7**	0.8	
Equity accounted income	**-**	1.3	*FEA contribution in pcp*
Underlying EBIT	**7.4**	4.3	
Non-recurring items	**(174.4)**	(45.3)	*Forestry asset review +FEA+ SmartFibre writeback*
Reported EBIT	**(167.0)**	(41.0)	
Operating cash flow	**(2.8)**	(26.5)	

- Underlying EBIT & cashflow up on lower sales due to management action on costs, structure
- Business now focussed on plantation establishment management, harvest and sale with sale of timber processing assets in Dec 2009 excluding Smartfibre (retained after ACCC decision)
- Forestry Asset Review confirmed property values, excluding Central Queensland. Accrued income reduced by approximately $11 million pa before tax
- 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 well for available demand in MIS

Futuris Automotive
rebounding strongly

$ million	H1 10	PCP March 09
Sales	134.2	103.6
Underlying EBITDA	16.6	(2.7)
Depreciation & Amortisation	8.0	7.6
Underlying EBIT:	8.6	(10.3)
Futuris Automotive	8.0	0.8
Associates (equity acc)	0.6	(11.1)
Underlying EBIT	8.6	(10.3)
Non-recurring items	-	(28.9)
Reported EBIT	8.6	(39.2)
Operating cash flow	22.7	12.3

- Earnings and sales highlight recovery in Asian and Australian automotive sectors
- 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
- Both Australian and China operations profitable and cash flow positive
- Further impetus to the business recovery being provided by new contract wins:
  - Cruze locally built for GMH (Feb 2011)
  - 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

Summary and outlook

Business indicators show underlying improvement is real and stronger than headline results suggest

- Substantially improved performance across the business: earnings, cash generation, cost and margins all trending positively
- The health of the Business and the markets we operate in is evident in strong recovery after first quarter setback
- Lower input prices vs pcp have and are continuing to impact, however trends are positive
- Seasonal conditions positive on balance; Eastern and Southern Australia good; WA break still to come
- Rural Services is making progress where it counts and expects second quarter momentum to carry on and build:
  - entering critical sales and earnings period for Farm Supplies of May – July
  - Meat and Livestock trading result will improve with second half shipping schedule
  - livestock and real estate agency are expected to show benefits from first half rainfall
- Forestry about to enter peak sales and earnings period
- Cash generation, debt and finance covenant metrics all on track
- Earnings expectations (ie Prospectus + forestry update) are affirmed, subject to the prior assumptions
- Looking to lift earnings further in 2011 as
  - Business Transformation Project delivering gains in supply chain, marketing and costs
  - flow on from rainfall and return of confidence in 2010