



31 July 2013

Elders Announces Sale of Futuris Automotive Business

Elders Limited (ASX:ELD) (Elders) has entered into a binding agreement for the sale of Futuris Automotive (Futuris) to affiliates of Clearlake Capital Group, L.P. (Clearlake) for a price which represents an Enterprise Value of A\$69 million.

The sale is subject to customary conditions including Foreign Investment Review Board approval, and is targeted to complete by the end of August 2013.

Proceeds from the sale will be used to reduce Elders' net debt by approximately A\$56 million. Subject to finalisation of disposal accounting, a one off net loss of approximately A\$28 million against book value will be crystallised on sale.

For Elders, the transaction represents a major step in becoming a pure play rural services business, with the run-off of the only other significant non-core business, Forestry, on track for completion before the end of the year.

Elders Managing Director, Malcolm Jackman, said: "The sale of Futuris is a good outcome for Elders, both in terms of our priority to focus capital on a "pure play" rural services business and the ability to further reduce our debt."

"It is also a very positive result for Futuris, its employees, customers and the Australian automotive industry as it represents a vote of confidence in both Futuris and the Australian industry. Futuris is a strong business with globally recognised innovation, design and manufacturing capabilities. Under Clearlake's ownership, Futuris will have access to fresh capital to pursue growth opportunities around the world."

Elders continues to progress plans with its financiers to strengthen its operations and financial position and the sale of Futuris is an important step in this process. The Company will keep the market informed of progress on these plans as appropriate.

Elders was advised on the sale of Futuris by Greenhill and Herbert Smith Freehills.



About Futuris

Futuris Automotive is a leading global automotive component supplier. Futuris designs, engineers and manufactures automotive seating and interior systems for a range of the world's top vehicle producers including GM, Ford, Toyota and Tesla. Futuris has design and engineering centres in Australia, China and the USA and state of the art manufacturing facilities in Australia, China, Thailand and the USA. Futuris is focused on growth in its existing markets along with maximising its opportunities in new emerging markets.

For more information, please visit www.futurisautomotive.com

About Clearlake Capital Group

Clearlake Capital Group, L.P. is a private investment firm focused on special situations and private equity investments such as corporate divestitures, recapitalisations, buyouts, reorganisations, turnarounds and other equity investments. Clearlake seeks to partner with world-class management teams by providing patient, long-term capital and operational expertise to invest in dynamic businesses.

Clearlake currently manages approximately \$1.4 billion of equity capital, and Clearlake's founding principals have led over 70 investments totalling more than \$3 billion of capital in sectors including business services, communication, consumer products/retail, defence/public safety, energy/power, healthcare, automotive, industrials, media, and technology.

For more information, please visit www.clearlakecapital.com

Further Comment:

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