



18 May 2015

Appendix 4D and Financial Statements for the Financial Period Ended 31 March 2015

Elders Limited (ASX: ELD) today reports its results for the half-year ended 31 March 2015.

Attached is the Appendix 4D (Results for announcement to the market), and Financial Statements for the 6 month financial period ended 31 March 2015.

Peter Hastings
Company Secretary



Elders Limited

ABN 34 004 336 636

**HALF YEAR REPORT
APPENDIX 4D**

31 MARCH 2015

ELDERS LIMITED
APPENDIX 4D (RULE 4.2)
RESULTS FOR ANNOUNCEMENT TO THE MARKET
FOR THE HALF YEAR ENDED 31 MARCH 2015

Attached is the final report for the half year ended 31 March 2015. The consolidated profit after tax and non-controlling interests was \$15.9 million (2014: \$10.2 million loss).

Additional Appendix 4D disclosure requirements can be found in the Directors' Report and the 31 March 2015 half year financial statements.

It is recommended that the half year financial report be read in conjunction with the annual report for the year ended 30 September 2014 and considered together with any public announcements made by Elders Limited during the half year ended 31 March 2015 in accordance with the continuous disclosure obligations of the ASX listing rules.

	Result			6 months March 2015 \$000
Revenue from continuing operations	up	2%	to	645,514
Profit/(loss) from continuing operations after tax attributable to members	up	83%	to	15,859
Profit/(loss) from discontinued operations after tax attributable to members		n/m*		-
Profit/(loss) after tax for the year attributable to members		n/m*		15,859

* percentage movement in result is not meaningful

Dividends

	Amount per security	Franked amount per security
Interim dividend	Nil	n/a
Previous corresponding period	Nil	n/a

Net tangible assets

	March 2015 \$	March 2014 \$
Net tangible asset backing per ordinary security (83,734,671 ordinary shares)	1.04	0.41

Revenues from continuing operations comprise:

	6 months March 2015 \$000	6 months March 2014 \$000
Sales revenue	645,175	631,376
Equity accounted profits	339	254
Total	645,514	631,630

ELDERS LIMITED DIRECTORS REPORT

The Board of Directors of Elders Limited submits its report in respect of the half year ended 31 March 2015.

DIRECTORS REPORT

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

J H Ranck (Chairman)
M C Allison
J A Jackson
I Wilton

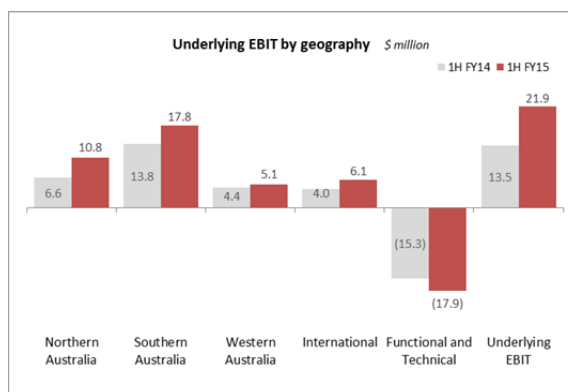
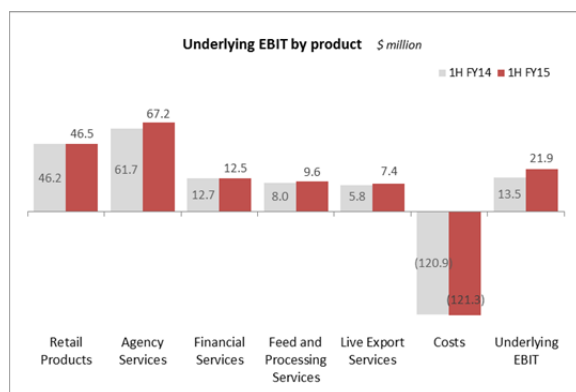
REVIEW AND RESULTS FROM OPERATIONS

On a reported basis the consolidated profit after tax and before non-controlling interests was \$16.4 million (2014: \$9.2 million loss). The consolidated profit after tax and non-controlling interests was \$15.9 million (2014: \$10.2 million loss).

The statutory result included a number of items that are either attributable to discontinued operations or unrelated to operating financial results. Measurement and analysis of financial results excluding these items is considered to give a meaningful representation of like-for-like performance from ongoing operations ("underlying profit"). Underlying profit is a non-IFRS measure and is not audited or reviewed. The following table provides a summary of statutory and underlying EBIT and profit outcomes for the half year.

Profit and Loss

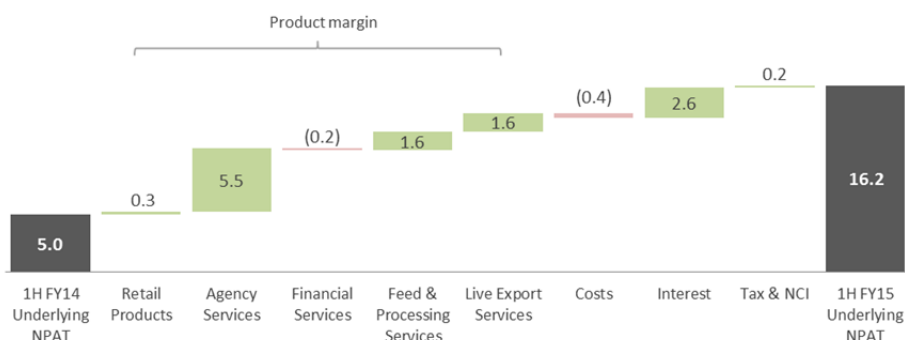
<i>\$ million</i>	6 months March 2015	6 months March 2014	Change
Sales from continuing operations	645.2	631.4	13.8
Underlying EBIT:			
Australian Network	30.0	23.3	6.7
Feed and Processing Services	5.0	2.8	2.2
Live Export Services	4.7	2.7	2.0
Corporate Services	(17.8)	(15.3)	(2.5)
Underlying EBIT	21.9	13.5	8.4
Net underlying finance costs	(4.9)	(7.5)	2.6
Underlying profit before tax	17.0	6.0	11.0
Tax on underlying profit	(0.3)	(0.4)	0.1
Non-controlling interests	(0.5)	(0.6)	0.1
Underlying profit to shareholders	16.2	5.0	11.2
Items excluded from underlying profit	(0.3)	(15.2)	14.9
Reported profit/(loss) after tax to shareholders	15.9	(10.2)	26.1



ELDERS LIMITED DIRECTORS REPORT

Analysis of movement in underlying profit

Underlying profit movement
\$ million



The company generated an underlying profit of \$16.2 million in the first half of 2015 compared to \$5.0 million in 2014. This improvement resulted from:

- Significant increase in livestock prices as a result of strong export demand, aided by a depreciation in the Australian dollar
- Feed and Processing improvements through efficiencies in Killara and turnaround in China business
- Mixed Live Export trading conditions in the first half with benefits from flexible shipping model resulted in redirecting inventory from China and Indonesia to Vietnam
- Reduced interest costs by \$2.6 million with lower debt levels

Items excluded from underlying profit (post tax) for the period are as follows:

\$ million	6 months March 2015	Explanation of items
Mark-to-market of foreign currency hedges	(1.6)	Unrealised loss on foreign currency contracts due to weakening of AUD against USD
Onerous lease charge	(0.9)	Onerous lease for Adelaide Currie Street office from October 2015 to April 2016 post relocation to new Grenfell Street office
Refinance costs	(0.6)	Costs associated with migration to a new financier syndicate
Tax asset adjustment	3.0	Recognition of previously impaired tax balances on temporary differences based on improvement in profitability
Other	(0.2)	
Items excluded from underlying profit	(0.3)	

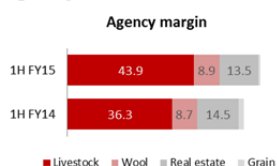
Review of Operations

Retail Products



The first quarter saw dry conditions over the summer cropping segment with lower fertiliser, chemical and seed revenue being generated especially in the northern zone. Seasonal improvements with increased rainfall in the second quarter led to increased chemical and fertiliser sales across all zones through the winter cropping campaigns.

Agency Services



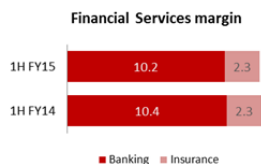
Agency services has performed strongly in the last 6 months with an increase of \$5.6 million (9%) in revenue.

- Livestock: Livestock prices saw a sharp rise since December 2014 on the back of reduced supply, strong live export demand and a depreciating Australian dollar. Cattle prices are on average 26% higher than last year.
- Wool: Slight growth in earnings from higher volumes.

ELDERS LIMITED DIRECTORS REPORT

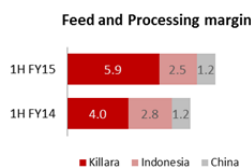
- Real estate: Rural property turnover has softened with lower value properties being sold this period.
- Grain: Earnings were affected by the expiry of our brokering agreement with ADM. New grain marketing options are being explored for the next harvest season.

Financial Services



Financial services have generated steady revenues during the period. Growth in the loan book has been difficult due to intense competition within the industry, strong seasonal inflows across southern Australia and considerable consolidation by many operators. Management remains focused on portfolio growth and is working closely with each of our product partners to improve our competitive position.

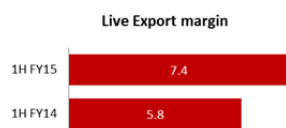
Feed and Processing Services



Feed and Processing segment increased margin by 13% compared to last year.

- Killara: The feedlot has benefited from high utilisation, strong domestic and export beef demand. The increase in utilisation drove efficiency and scale within the feedlot leading to the strong margin improvement this year.
- Indonesia: Competitive cattle price and increasing cost pressures have eroded margin compared to last year.
- China: The business is now purely focussed on meat sales. Margins earned have remained steady with higher beef input prices from Australia offsetting the effects of the depreciating AUD.

Live Export Services

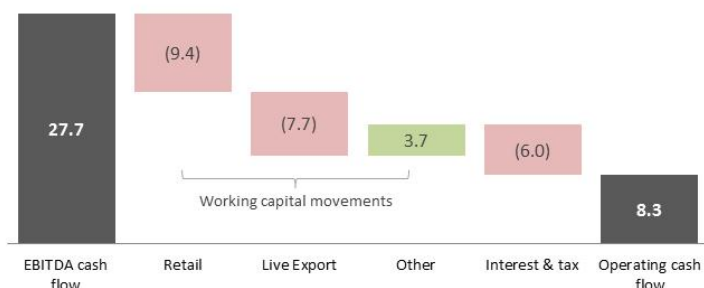


Gross margin in both the long and short haul businesses has benefited from improvements in operational processes, depreciating Australian dollar and lower fuel bunker costs. These benefits have been partially offset by higher domestic cattle costs in the short haul business.

- Long haul: The long haul business has been impacted by the temporary halt in demand from the Chinese dairy market triggered by depressed global dairy prices and milk powder stockpiles in China. Diversification of market destinations, particularly niche markets, and alternative exports has reduced reliance on China within the long haul business.
- Short haul: The decline in long haul demand has been largely offset by new market opportunities for the short haul business as result of increased demand from Vietnam.

Operating Cash Flow

1H FY15 operating cash flow
\$ million



The business generated positive operating cash flow of \$8.3 million for the financial period. Highlights from the cash flow are:

- Solid underlying EBITDA translated to cash flows for the business
- Working capital usage reflecting:
 - Higher Retail debtors since September 2014
 - Increased inventory in Live Export due to higher cattle prices
- Net interest paid was \$6.7m lower than prior comparative period with lower debt levels

ELDERS LIMITED DIRECTORS REPORT

Balance Sheet

Elders' balance sheet and sales results typically follow a seasonal pattern across the year, with working capital levels in particular being influenced by the cycles associated with cropping and livestock production and live export activity. For this reason, balance sheet analysis is best conducted from the perspective of a year-on-year comparison.

<i>\$ million as at:</i>	Mar 15	Sept 14	Mar 14
Inventory	111.9	84.8	105.7
Livestock	40.8	41.1	31.4
Trade and other receivables	300.7	302.1	305.0
Trade and other payables	(273.5)	(249.7)	(243.0)
Working capital	179.9	178.3	199.1
Borrowings: term debt	-	34.1	118.3
Borrowings: working capital and other facilities	114.0	126.0	124.3
Cash and cash equivalents	(27.2)	(22.5)	(6.0)
Net debt	86.8	137.6	236.6
Shareholders' equity	118.3	57.0	38.0
Gearing ratio [net debt / shareholders' equity]	73%	241%	622%
Return on capital	17%	13%	(9%)

Working capital

Elders' working capital levels are influenced by the cycles associated with cropping and livestock production and live export activity. As such, working capital analysis is best conducted on a year-on-year comparison.

Key fluctuations in working capital from March 2014 relate to:

- Retail working capital reduced by 12% compared to last year with normalised supplier terms post refinance
- Working capital in Feed and Processing has increased by \$11 million with higher cattle prices for Killara and Indonesia and increased number of cattle held in Killara with higher feedlot utilisation

Net debt

Net debt continues to decrease during the period with proceeds from the refinance of \$47.1 million used to fully amortise term debt. Elders also completed its refinance in October 2014 and currently only employs working capital facilities. At March 2015, debt comprised of trade receivables funding for the Retail and Live Export products.

Return on capital

Return on capital continues to feature solid improvement over the past reporting periods. Uplift in return resulted from:

- Agency growth requiring minimal capital
- Stronger bias to short haul Live Export business with shorter capital cycle
- Capital allocation based on business case approval

Outlook

The outlook for the remaining financial year to September is positive, with expectation of improvement against last year's results.

- Retail: Average rainfall conditions over the winter cropping season.
- Agency: Cattle and sheep prices are expected to remain strong supported by robust demand, tight supply and a low AUD. Supply is expected to tighten further if there is a significant rainfall event across northern NSW and western Queensland. Stable activity in rural real estate is expected with low interest rates encouraging transactions but caution remains in the north following dry conditions.
- Financial Services: Focus on quality expansion of the loan and insurance books.
- Feed and Processing: Continued strong demand for feedlot capacity and growing demand for beef in Indonesia and China.
- Live Export: Stabilisation of Vietnamese short haul market and continuation of trade with Indonesia with long haul dairy demand to China expected to recover next year. Further market diversification will be targeted.
- Cost and capital: Investing in opportunities with sound return on capital to grow and diversify revenue base.

ELDERS LIMITED DIRECTORS REPORT

The performance of Elders is, as always, subject to the influence of the seasonal, market and international trade relation factors that affect the Australian farm sector.

ROUNDING OF AMOUNTS

The parent entity is a company of the kind specified in the Australian Securities and Investments Commission class order 98/100. In accordance with that class order, amounts in the consolidated financial statements and the Directors' Report have been rounded to the nearest thousand dollar unless specifically stated to be otherwise.

AUDITOR INDEPENDENCE

The Auditors review of the financial report is in accordance with the declaration on page 23 – "Auditor Independence Declaration to the Directors of Elders Limited."

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



J H Ranck
Chairman



M C Allison
Managing Director

Adelaide
18 May 2015

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 MARCH 2015**

		6 months March 2015 \$000	6 months March 2014 \$000
	Note		
Continuing operations			
Sales revenue	4	645,175	631,376
Cost of sales		<u>(502,274)</u>	<u>(497,221)</u>
Gross profit from continuing operations		142,901	134,155
Other revenues	4	339	254
Distribution expenses		<u>(103,483)</u>	<u>(105,603)</u>
Administrative expenses		<u>(17,814)</u>	<u>(15,259)</u>
Finance costs		<u>(7,894)</u>	<u>(11,608)</u>
Other expenses	4	<u>(1,935)</u>	1,574
Profit/(loss) from continuing operations before income tax expense		12,114	3,513
Income tax (expense)/benefit	5	<u>4,253</u>	5,444
Profit/(loss) from continuing operations after income tax expense		16,367	8,957
Net profit/(loss) of discontinued operations, net of tax	13	<u>-</u>	<u>(18,126)</u>
Net profit/(loss) for the period		<u><u>16,367</u></u>	<u><u>(9,169)</u></u>
Items that may be reclassified to profit and loss			
Foreign currency translation		599	3,233
Net gains on cash flow hedges		-	392
Other comprehensive income/(loss) for the period, net of tax		<u>599</u>	<u>3,625</u>
Total comprehensive income/(loss) for the period		<u><u>16,966</u></u>	<u><u>(5,544)</u></u>
Profit/(loss) for the period is attributable to:			
Non-controlling interest		508	981
Owners of the parent		<u>15,859</u>	<u>(10,150)</u>
		<u><u>16,367</u></u>	<u><u>(9,169)</u></u>
Total comprehensive income/(loss) for the period is attributable to:			
Non-controlling interest		508	1,128
Owners of the parent		<u>16,458</u>	<u>(6,672)</u>
		<u><u>16,966</u></u>	<u><u>(5,544)</u></u>
Reported operations			
Basic earnings per share (cents per share)	12	19.5¢	(22.3)¢
Diluted earnings per share (cents per share)	12	11.0¢	(22.3)¢
Continuing operations			
Basic earnings per share (cents per share)	12	19.5¢	19.1¢
Diluted earnings per share (cents per share)	12	11.0¢	4.8¢
Discontinued operations			
Basic earnings per share (cents per share)	12	-	(41.4)¢
Diluted earnings per share (cents per share)	12	-	(41.4)¢

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2015**

	March 2015	September 2014
Note	\$000	\$000
Current assets		
Cash and cash equivalents	27,218	22,477
Trade and other receivables	300,691	302,137
Livestock	40,832	41,123
Inventory	111,910	84,817
Current tax assets	815	743
Total current assets	481,466	451,297
Non current assets		
Plantations	4,864	4,588
Other financial assets	1,269	1,269
Equity accounted investments	6,216	5,877
Property, plant and equipment	26,248	25,750
Brand name	5,615	5,615
Deferred tax assets	26,210	20,616
Total non current assets	70,422	63,715
Total assets	551,888	515,012
Current liabilities		
Trade and other payables	273,526	249,677
Interest bearing loans and borrowings	113,976	160,103
Provisions	35,081	36,572
Total current liabilities	422,583	446,352
Non current liabilities		
Deferred tax liabilities	1,410	1,116
Provisions	9,549	10,514
Total non current liabilities	10,959	11,630
Total liabilities	433,542	457,982
Net assets	118,346	57,030
Equity		
Contributed equity	1,323,284	1,277,813
Hybrid equity	145,151	145,151
Reserves	(19,473)	(20,069)
Retained earnings	(1,331,141)	(1,347,225)
Total parent entity equity interest	117,821	55,670
Non-controlling interests	525	1,360
Total equity	118,346	57,030

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 MARCH 2015**

	6 months March 2015 \$000	6 months March 2014 \$000
Cash flow from operating activities		
Receipts from customers	2,525,006	2,550,108
Payments to suppliers and employees	(2,509,183)	(2,550,573)
Dividends received	-	2,027
Interest and other costs of finance paid	(5,594)	(12,269)
GST (paid)/refunded	(1,510)	308
Income taxes paid	(379)	(1,140)
Net operating cash flows	8,340	(11,539)
Cash flow from investing activities		
Payment for property, plant and equipment	(1,529)	(1,141)
Proceeds from sale of non current assets held for sale	-	5,970
Proceeds from sale of equity accounted investments	600	10,394
Proceeds from sale of property, plant and equipment	81	538
Proceeds from disposal of controlled entity	-	7,047
Repayment of loans from equity accounted investments	-	3,330
Net investing cash flows	(848)	26,138
Cash flow from financing activities		
Proceeds from issue of shares	47,095	-
Share issue costs	(2,376)	-
Repayment of borrowings	(46,127)	(42,364)
Partnership profit distributions/dividends paid	(1,343)	(2,005)
Net financing cash flows	(2,751)	(44,369)
Net increase/(decrease) in cash held	4,741	(29,770)
Cash balances classified as held for sale assets	-	(4,200)
Cash at the beginning of the financial period	22,477	39,927
Cash at the end of the financial period	27,218	5,957

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 MARCH 2015**

\$000	Contributed equity	Hybrid equity	Reserves	Retained earnings/ (losses)	Non- controlling interest	Total equity
As at 1 October 2014	1,277,813	145,151	(20,069)	(1,347,225)	1,360	57,030
Profit/(loss) for the period	-	-	-	15,859	508	16,367
Other comprehensive income/(loss):						
Foreign currency translation	-	-	599	-	-	599
Total comprehensive income/(loss) for the period	-	-	599	15,859	508	16,966
Transactions with owners in their capacity as owners:						
Shares issued	47,095	-	-	-	-	47,095
Transaction costs on shares issued	(2,376)	-	-	-	-	(2,376)
Tax effect on share issue costs	752	-	-	-	-	752
Partnership profit distributions/dividends paid	-	-	-	-	(1,343)	(1,343)
Cost of share based payments	-	-	222	-	-	222
Reallocation of equity	-	-	(225)	225	-	-
As at 31 March 2015	1,323,284	145,151	(19,473)	(1,331,141)	525	118,346
As at 1 October 2013	1,269,153	145,151	(21,825)	(1,350,520)	4,241	46,200
Profit/(loss) for the period	-	-	-	(10,150)	981	(9,169)
Other comprehensive income/(loss):						
Foreign currency translation	-	-	3,086	-	147	3,233
Net gains on cash flow hedges	-	-	392	-	-	392
Total comprehensive income/(loss) for the period	-	-	3,478	(10,150)	1,128	(5,544)
Transactions with owners in their capacity as owners:						
Tax effect on share issue costs	(585)	-	-	-	-	(585)
Partnership profit distributions/dividends paid	-	-	-	-	(2,005)	(2,005)
Cost of share based payments	-	-	(53)	-	-	(53)
Reallocation of equity	-	-	(313)	313	-	-
As at 31 March 2014	1,268,568	145,151	(18,713)	(1,360,357)	3,364	38,013

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 MARCH 2015

NOTE 1 CORPORATE INFORMATION

The consolidated financial report of Elders Limited for the half year ended 31 March 2015 was authorised for issue in accordance with a resolution of the Directors on 15 May 2015. Elders Limited (the Parent) is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of Elders (including Elders Limited and its subsidiaries) are described in the Directors' Report and note 11. References in this consolidated financial report to 'Elders' are to Elders Limited and each of its controlled entities unless the context requires otherwise.

NOTE 2 BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES

(a) Basis of preparation

The half year consolidated financial statements for the 6 months ended 31 March 2015 have been prepared in accordance with AASB 134 Interim Financial Reporting.

The half year consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with Elders' annual financial statements as at 30 September 2014.

(b) Changes to Elders accounting policies

The accounting policies adopted in preparation of the half year consolidated financial statements are consistent with those followed in the preparation of Elders' annual financial statements for the year ended 30 September 2014, except for the adoption of new standards and interpretations as of 1 October 2014 noted below, none of which had any impact on the financial position and performance of Elders:

- AASB 1031 Materiality
- AASB 132 Financial Instruments: Presentation (AASB 2012-3 Amendments – Offsetting Financial Assets and Financial Liabilities)
- AASB 136 Impairment of Assets (AASB 2013-3 Amendments – Recoverable Amount Disclosures for Non-Financial Assets)

Elders has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 MARCH 2015

NOTE 3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of Elders' consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on various other factors it believes to be reasonable under the circumstances, the result of which forms the basis of the carrying value of assets and liabilities that are not readily apparent from other sources.

Management has identified the following critical accounting policies for which significant judgement, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect the financial result or the financial position reported in future periods. Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable the future taxable profit will be available to utilise those temporary differences. Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and the level of future taxable profits together with future tax planning strategies.

Impairment of non-financial assets other than goodwill and indefinite life intangibles

Elders assesses impairment of all assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. These include product performance, technology, climate, economic and political environments and future product expectations. If an impairment trigger exists the recoverable amount of the asset is determined. It is Elders' policy to conduct bi-annual internal reviews of asset values, which are used as sources of information to assess for indicators of impairment. Assets have been tested for impairment in accordance with the accounting policies, including the determination of recoverable amounts of assets using the higher of value in use and fair value less cost to sell.

Impairment of Brand Name

Elders determines whether the Brand Name is impaired on a bi-annual basis. This requires an estimation of the recoverable amount of the associated cash-generating units, using a value in use discounted cash flow methodology, to which the Brand Name is allocated.

Estimation of useful lives of assets

The estimation of useful lives of assets has been based on historical experience as well as lease terms (for leased assets). In addition, the condition of assets is assessed and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2015**

NOTE 4 REVENUE AND EXPENSES

	6 Months March 2015 \$000	6 Months March 2014 \$000
Sales revenue		
Sale of goods and biological assets	521,234	512,861
Debtor interest associated with sales	2,457	2,866
Commission and other selling charges	121,484	115,649
	645,175	631,376
<i>Discontinued operations:</i>	13 -	98,581
	645,175	729,957
Other revenue		
Equity accounted profit	339	254
	339	254
<i>Discontinued operations:</i>	13 -	3,416
	339	3,670
Other expenses		
Gain on divested assets	-	(2,234)
Restructuring, redundancy and other fair value adjustments	1,935	660
	1,935	(1,574)
<i>Discontinued operations:</i>	13 -	22,450
	1,935	20,876
Specific expenses		
Depreciation and amortisation	1,469	2,079

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 MARCH 2015

NOTE 5 INCOME TAX

A reconciliation of income tax expense applicable to accounting profit/(loss) before income tax at the statutory income tax rate to income tax expense at Elders' effective income tax rate is as follows:

	6 months	6 months
	March	March
	2015	2014
	\$000	\$000
Accounting profit/(loss) before tax from:		
- Continuing operations	12,114	3,513
- Discontinued operations	-	(17,517)
Total Accounting profit/(loss) before tax	<u>12,114</u>	<u>(14,004)</u>
Income tax (expense)/benefit at 30% (2014: 30%)	(3,634)	4,201
Adjustments in respect of current income tax of previous years	(1,449)	47
Share of associate profits/(losses)	102	965
Recognition/(de-recognition) of current period tax losses	679	(10,439)
Recognition/(de-recognition) of net DTA	8,637	12,866
Other	(82)	(2,805)
Income tax (expense)/benefit as reported in the statement of comprehensive income	<u>4,253</u>	<u>4,835</u>
Aggregate Income tax (expense)/benefit is attributable to:		
- Continuing operations	4,253	5,444
- Discontinued operations	-	(609)
	<u>4,253</u>	<u>4,835</u>

Tax losses

Elders has tax losses for which no deferred tax asset is recognised in the Statement of Financial Position of \$252.8 million (September 2014: \$243.9 million) which are available indefinitely for offset against future taxable profits subject to continuing to meet relevant statutory tests.

NOTE 6 INTEREST BEARING LOANS AND LIABILITIES

	March	September
	2015	2014
	\$000	\$000
Current		
Secured loans	-	34,050
Trade receivables funding	113,640	125,631
Lease liabilities	336	422
Total interest bearing loans and liabilities	<u>113,976</u>	<u>160,103</u>

The carrying value of interest bearing liabilities approximates fair value. Elders also has an ancillary facility in relation to contingent funding, such as bank guarantees, of \$30 million. As at 31 March 2015 \$3.2 million had been issued (30 September 2014: \$32.2 million).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2015**

NOTE 7 RESERVES

Reconciliation of carrying amounts at beginning and end of period:

	Business combina- tion reserve \$000	Employee equity benefits reserve \$000	Foreign currency translation reserve \$000	Net unrealised gains reserve \$000	Total \$000
6 months ended March 2015					
Carrying amount at beginning of period	(16,228)	261	(4,102)	-	(20,069)
Foreign currency translation	-	-	599	-	599
Cost of share based payments	-	222	-	-	222
Transfer to retained earnings	-	(225)	-	-	(225)
Carrying amount at end of period	(16,228)	258	(3,503)	-	(19,473)
6 months ended March 2014					
Carrying amount at beginning of period	(16,503)	627	(5,678)	(271)	(21,825)
Foreign currency translation	-	-	3,233	-	3,233
Non-controlling interest share of movement	-	-	(147)	-	(147)
Cash flow hedges and fair value of derivatives	-	-	-	392	392
Cost of share based payments	-	(53)	-	-	(53)
Transfer to retained earnings	-	(313)	-	-	(313)
Carrying amount at end of period	(16,503)	261	(2,592)	121	(18,713)

NOTE 8 DIVIDENDS

	6 months March 2015 \$000	6 months March 2014 \$000
<i>Current year interim</i>		
- No interim dividend will be paid (2014: Nil)	-	-
<i>Previous year final</i>		
- No final dividend paid (2014: Nil)	-	-
<i>Subsidiary equity dividends on ordinary shares:</i>		
Dividends paid to non-controlling interests	1,343	2,005

NOTE 9 COMMITMENTS

Other than disclosed below there has been no material changes to expenditure commitments.

	March 2015 \$000	September 2014 \$000
<i>Operating leases commitments:</i>		
- Within one year	49,364	43,404
- After one year but not later than five years	73,796	47,722
- After more than five years	9,589	9,522
Total minimum lease payments	132,749	100,648

Operating Lease commitments have increased due to entering into shipping leases.

NOTE 10 CONTINGENT LIABILITIES

Apart from the reduction in contingent funding disclosed in note 6, there are no changes to contingent liabilities from that disclosed in note 23 of the September 2014 financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 MARCH 2015

NOTE 11 SEGMENT INFORMATION

Identification of reportable segments

Elders has identified its operating segments to be Network, Feed and Processing, Live Export and Other. This is the basis on which internal reports are reviewed and used by the Chief Executive Officer (the chief operating decision maker) in assessing performance and in determining allocation of resources. Discrete financial information about each of these operating businesses is reported to the executive management team on at least a monthly basis. Elders operates predominantly within Australia. All other geographical operations are not material to the financial statements.

Type of product and service

- Network includes the provision of a range of agricultural products and services through a common distribution channel.
- Feed and Processing includes the Australian cattle feedlot near Tamworth in New South Wales (Killara Feedlot), the Indonesian cattle feedlot near Lampung (Elders Indonesia) and Elders China which is involved in the importation and distribution of Australian and New Zealand food products throughout China.
- Live Export facilitates principal position trades of dairy, beef feeder, beef slaughter and trading cattle, as well as sheep, from Australia and New Zealand to international markets by sea or air freight.
- The Other segment includes general investment and other activities not associated with the other business segments and the administrative corporate office activities.

Accounting policies and intersegment transactions

The accounting policies used by Elders in reporting segments internally are the same as those contained in note 2 to the accounts. Segment results have been determined on a consolidated basis and represent the earnings before corporate net financing costs and income tax expense.

	Network	Feed and Processing	Live Export	Other	Total
	\$000	\$000	\$000	\$000	\$000
6 months March 2015					
External sales	487,350	64,443	93,382	-	645,175
Share of profit of associates and joint ventures	339	-	-	-	339
	487,689	64,443	93,382	-	645,514
Earnings before interest, tax, depreciation & amortisation	30,897	5,452	4,693	(19,565)	21,477
Depreciation & amortisation	(893)	(392)	-	(184)	(1,469)
Segment result	30,004	5,060	4,693	(19,749)	20,008
Corporate net interest expense					(7,894)
Profit from ordinary activities before tax					12,114
Segment assets	410,963	47,562	24,992	68,371	551,888
Segment liabilities	(241,397)	(2,912)	(2,464)	(186,769)	(433,542)
Net assets	169,566	44,650	22,528	(118,398)	118,346

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2015**

NOTE 11 SEGMENT INFORMATION

	Network	Feed and Processing	Live Export	Other	Total
	\$000	\$000	\$000	\$000	\$000
6 months March 2014					
External sales	468,248	108,958	106,278	46,473	729,957
Other revenues	450	-	-	-	450
Share of profit of associate and joint ventures	2,392	828	-	-	3,220
	<u>471,090</u>	<u>109,786</u>	<u>106,278</u>	<u>46,473</u>	<u>733,627</u>
Earnings before interest, tax, depreciation & amortisation	9,398	7,293	(222)	(16,554)	(85)
Depreciation & amortisation	(1,022)	(602)	-	(455)	(2,079)
Segment result	<u>8,376</u>	<u>6,691</u>	<u>(222)</u>	<u>(17,009)</u>	<u>(2,164)</u>
Corporate net interest expense					(11,840)
Profit from ordinary activities before tax					<u>(14,004)</u>
Segment result	8,376	6,691	(222)	(17,009)	(2,164)
Less discontinued operations results	(17,857)	3,926	-	(3,354)	(17,285)
Continuing profit/(loss) before net borrowing costs and tax expense	<u>26,233</u>	<u>2,765</u>	<u>(222)</u>	<u>(13,655)</u>	<u>15,121</u>
Corporate net interest expense					(11,608)
Continuing profit/(loss) before tax expense					<u>3,513</u>
September 2014					
Segment assets	373,657	41,540	35,298	64,517	515,012
Segment liabilities	(202,593)	(3,249)	(17,442)	(234,698)	(457,982)
Net assets	<u>171,064</u>	<u>38,291</u>	<u>17,856</u>	<u>(170,181)</u>	<u>57,030</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2015**

NOTE 12 EARNINGS PER SHARE

	March 2015	March 2014
Weighted average number of ordinary shares ('000) used in calculating basic EPS	81,319	45,501
Dilutive share options ('000)	63,260	136,445
Adjusted weighted average number of ordinary shares used in calculating dilutive EPS ('000)	144,579	181,946

On 14 October 2014, Elders issued 313,967,179 shares under a 3 for 5 non renounceable entitlement offer. On 18 December 2014, Elders' ordinary shareholders approved a resolution to consolidate every 10 shares into 1 share. The total number of shares on issue following completion of the entitlement offer and consolidation is 83,734,671. The weighted average number of ordinary shares as described above has been adjusted to incorporate the effects of the issue and consolidation.

	March 2015 \$000	March 2014 \$000
Reported operations		
<i>Basic</i>		
Net profit/(loss) attributable to members (after tax)	15,859	(10,150)
<i>Dilutive</i>		
Net profit/(loss) attributable to members (after tax)	15,859	(10,150)
<i>Reported operations earnings per share:</i>		
Basic earnings per share (cents per share)	19.5 ¢	(22.3)¢
Diluted earnings per share (cents per share)	11.0 ¢	(22.3)¢
Continuing operations		
<i>Basic</i>		
Net profit/(loss) attributable to members (after tax)	15,859	(10,150)
Less: Net loss/(profit) of discontinued operations (net of tax)	-	18,823
Net profit/(loss) of continuing operations (net of tax)	15,859	8,673
<i>Dilutive</i>		
Net profit/(loss) of continuing operations (net of tax)	15,859	8,673
<i>Continuing operations earnings per share:</i>		
Basic earnings per share (cents per share)	19.5 ¢	19.1 ¢
Diluted earnings per share (cents per share)	11.0 ¢	4.8 ¢
Discontinued operations		
Net profit/(loss) of discontinued operations (net of tax)	-	(18,823)
<i>Discontinued operations earnings per share:</i>		
Basic earnings per share (cents per share)	- ¢	(41.4)¢
Diluted earnings per share (cents per share)	- ¢	(41.4)¢

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 MARCH 2015

NOTE 13 DISCONTINUED OPERATIONS

Financial period 31 March 2015

No operations are classified as discontinued during this period.

Financial period 31 March 2014

Elders' investments in Kilcoy Pastoral and Australian Fine China were disposed of during the period. Investments in AWH Pty Ltd, Elders Insurance (Underwriting Agency) Pty Ltd, Charlton Feedlot, New Zealand Network and Wool Trading were classified as held for sale; and the Forestry divestment was largely completed. All were disposed of in the second half of 2014.

	Cont 6 months March 2015 \$000	Disc 6 months March 2015 \$000	Total 6 months March 2015 \$000	Cont 6 Months March 2014 \$000	Disc 6 Months March 2014 \$000	Total 6 Months March 2014 \$000
Sales revenue	645,175	-	645,175	631,376	98,581	729,957
Cost of sales	(502,274)	-	(502,274)	(497,221)	(84,848)	(582,069)
Other revenues	339	-	339	254	3,416	3,670
Distribution expenses	(103,483)	-	(103,483)	(105,603)	(11,984)	(117,587)
Administration expenses	(17,814)	-	(17,814)	(15,259)	-	(15,259)
Other expenses	(1,935)	-	(1,935)	1,574	(22,450)	(20,876)
Finance costs	(7,894)	-	(7,894)	(11,608)	(232)	(11,840)
Profit/(loss) before tax expense	12,114	-	12,114	3,513	(17,517)	(14,004)
Income tax benefit/(expense)	4,253	-	4,253	5,444	(609)	4,835
Net profit/(loss) for the period	16,367	-	16,367	8,957	(18,126)	(9,169)
Net profit/(loss) attributable to non-controlling interest	508	-	508	284	697	981
Net profit/(loss) attributable to members of the parent entity	15,859	-	15,859	8,673	(18,823)	(10,150)
Revenue and expenses						
<i>Sales revenue:</i>						
Sale of goods and biological assets	521,234	-	521,234	512,861	88,274	601,135
Commission and other selling charges	2,457	-	2,457	2,866	245	3,111
Other sales related income	121,484	-	121,484	115,649	10,062	125,711
	645,175	-	645,175	631,376	98,581	729,957
<i>Other expenses:</i>						
Write down of assets to be divested or discontinued	-	-	-	-	(24,645)	(24,645)
Gain on divested assets	-	-	-	2,234	2,195	4,429
Restructuring, redundancy and other fair value adjustments	(1,935)	-	(1,935)	(660)	-	(660)
	(1,935)	-	(1,935)	1,574	(22,450)	(20,876)

NOTE 14 SUBSEQUENT EVENTS

There is no matter or circumstance that has arisen since 31 March 2015 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 Elders, the results of those operations or the state of affairs of Elders in subsequent financial periods.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Elders Limited, the Directors declare:

In the opinion of the Directors:

- (a) the financial statements and notes of Elders are in accordance with the Corporations Act 2001, including:
- (i) Giving a true and fair view of its financial position as at 31 March 2015 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*.
- (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



J H Ranck
Chairman



M C Allison
Managing Director

Adelaide
18 May 2015



Ernst & Young
121 King William Street
Adelaide SA 5000 Australia
GPO Box 1271 Adelaide SA 5001

Tel: +61 8 8417 1600
Fax: +61 8 8417 1775
ey.com

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 2015, 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 of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

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 a Financial Report 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 2015 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

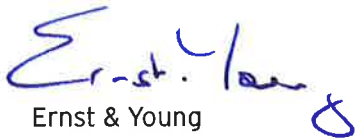
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.




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:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 March 2015 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Ernst & Young



Mark Phelps
Partner
Adelaide
18 May 2015



Ernst & Young
121 King William Street
Adelaide SA 5000 Australia
GPO Box 1271 Adelaide SA 5001

Tel: +61 8 8417 1600
Fax: +61 8 8417 1775
ey.com

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 2015, 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.



Ernst & Young



Mark Phelps
Partner
Adelaide
18 May 2015