



18 May 2015

2015 first half financial results

- **Statutory net profit after tax of \$15.9m, up \$26.1m from pcp**
- **Underlying profit after tax of \$16.2m, up \$11.2m from pcp**
- **Positive operating cash flow of \$8.3m at 1H FY15**
- **Net debt further reduced in period by 63% to \$86.8m**
- **On track with Eight Point Plan initiatives**

Elders Limited (ASX:ELD) has today released its half year results for the six months to 31 March 2015 delivering increased statutory and underlying profit, and solid progress with Eight Point Plan initiatives.

Statutory net profit after tax of \$15.9 million compares with a \$(10.2) million loss in the previous year. Underlying net profit has improved \$11.2 million on the prior corresponding period to \$16.2 million.

An \$8.4 million improvement at the underlying earnings before interest and tax (EBIT) level, to \$21.9 million, has been driven primarily by an increase in earnings from the agency, live export and feed and processing businesses.

The Company's debt position continues to improve with a further 63% reduction in net debt since the prior corresponding period.

Elders' Chief Executive Officer Mark Allison said that the Company's improved first half results represent a considered and measured approach to operating as a profitable agribusiness.

"Our focus has been on delivering our key business priorities and to ensure we are capitalising on opportunities for growth in a sustainable manner," Mr Allison said.

"Whilst Elders benefited from an uplift in livestock prices in the first half, our focus remains on what we can control as a business," he said.

"The increased and more efficient utilisation of our Killara feedlot, as well as the restructure of our business in China to focus on meat sales, contributed to a \$1.6 million margin improvement for our Feed and Processing business.

"The diversification of our Live Export business across new markets and customers has increased flexibility and profitability, resulting in a \$1.6 million margin improvement for that business.

"Operating cash flow of \$8.3 million was generated through the first six months with efficient conversion of operating profits to cash and lower interest costs with reducing debt levels. This has given Elders the ability to direct cash flows back into key priority projects.

Mr Allison said that the Company was pleased with the implementation and progress of its Eight Point Plan.



“In just 12 months we have achieved a 62% improvement in EBIT and improvement in our return on capital from 13% to 17%,” he said.

“Although we still have some way to go to reach our FY17 Eight Point Plan target, through the cycle of \$60 million EBIT and 20% return on capital, we are confident with the foundations we have in place.

Turning to Elders’ FY15 key priorities, Mr Allison said the Company is achieving continual progress across safety performance, operational performance, key relationships and efficiency and growth.

“As a renewed agribusiness, we are making particular progress in reviewing and rebuilding our key relationships with clients, suppliers, investors, local communities and our employees,” he said.

“In the past six months we have conducted Australia-wide focus group research, engaged in ongoing investor briefings, rationalised key suppliers, and will soon launch a national TV campaign, relaunching the Elders brand.

“As a business we are driving efficiency and performance through a range of programs including a comprehensive branch benchmarking program, an agency remuneration program, and a safety engagement campaign.

“We are actively considering opportunities for growth across both domestic and international markets, including Indonesia, Vietnam and China.

“Positive operating conditions for the remainder of the financial year are anticipated, with encouraging market and seasonal conditions.

“Cattle and sheep prices are expected to remain strong, and demand for feedlot and live export continues to grow.

ENDS

Further information

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Media enquiries

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Conference call and presentation

Details for the conference call and webcast slide presentation are as follows:

Conference call

9.30am (CST) Monday, 18 May 2015

Phone: 1800 908 299

Quote conference ID: 766970

Webcast slide presentation

[Register, view and listen to webcast](#)

This webcast will stream the audio, so if you do not wish to ask a question, you do not have to call into the conference call. Note: the slide presentation will not be available until the presentation is scheduled to begin but you can use this link to test your browser.