19 May 2014

Appendix 4D and Financial Statements for the Financial Period Ended 31 March 2014

Elders Limited (ASX: ELD) today reports its results for the half-year ended 31 March 2014.

Attached is the Appendix 4D (Results for announcement to the market), and Financial Statements for the 6 month financial period ended 31 March 2014.

Peter Hastings
Company Secretary

Elders Limited

ABN 34 004 336 636

HALF YEAR REPORT
APPENDIX 4D

31 MARCH 2014

ELDERS LIMITED
APPENDIX 4D (RULE 4.2)
RESULTS FOR ANNOUNCEMENT TO THE MARKET
FOR THE HALF YEAR ENDED 31 MARCH 2014

Attached is the final report for the half year ended 31 March 2014. The consolidated loss after tax and non-controlling interests was $10.2 million (2013: $303.2 million loss).

Additional Appendix 4D disclosure requirements can be found in the Directors' Report and the 31 March 2014 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 2013 and considered together with any public announcements made by Elders Limited during the half year ended 31 March 2014 in accordance with the continuous disclosure obligations of the ASX listing rules.

	Result			6 months March 2014 $000
Revenue from continuing operations	down	1%	to	655,191
Profit/(loss) from continuing operations after tax attributable to members	up	107%	to	10,864
Profit/(loss) from discontinued operations after tax attributable to members	up	86%	to	(21,014)
Profit/(loss) after tax for the year attributable to members	up	97%	to	(10,150)

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

Net tangible assets	**March 2014 $**	March 2013 $
Net tangible asset backing per ordinary security (455,013,329 ordinary shares)	**0.04**	0.19

Revenues from continuing operations comprise:	**6 months March 2014 $000**	6 months March 2013 $000
Sales revenue	**650,431**	656,747
Other revenue	**1,521**	1,295
Share of profit of associates and joint ventures	**250**	55
Interest revenue	**2,989**	4,412
Total	**655,191**	662,509

ELDERS LIMITED
DIRECTORS REPORT

The Board of Directors of Elders Limited submits its report in respect of the half year ended 31 March 2014.

DIRECTORS REPORT

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

J H Ranck (Chairman)
M C Allison
M G Jackman (ceased 27 November 2013)
J A Jackson (appointed 13 April 2014)
J M Rozman (ceased 25 March 2014)
I Wilton (appointed 13 April 2014)

REVIEW AND RESULTS FROM OPERATIONS

On a reported basis the consolidated loss after tax and before non-controlling interests was $9.2 million (2013: $300.7 million loss). The consolidated loss after tax and non-controlling interests was $10.2 million (2013: $303.2 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.

FINANCIAL OVERVIEW

Profit and Loss

Profit: Reported and Underlying			
$million 6 months ended 31 March:	**1H F14**	**1H F13**	**Change**
Sales from continuing operations	**650.4**	**656.7**	**(1%)**
Underlying EBIT:			
Network	20.1	2.2	813%
Trading	6.6	1.2	450%
Other	(14.3)	(19.4)	26%
Underlying EBIT	**12.4**	**(16.0)**	n/m
Net underlying finance costs	(4.7)	(5.5)	15%
Underlying profit/(loss) before tax	**7.7**	**(21.5)**	n/m
Tax on underlying profit/(loss)	(0.4)	(1.2)	67%
Non-controlling interests	(0.6)	(1.0)	40%
Underlying profit/(loss) to shareholders	**6.7**	**(23.7)**	n/m
Items excluded from underlying profit/(loss)	**(16.8)**	**(279.5)**	94%
Reported profit/(loss) after tax to shareholders	**(10.2)**	**(303.2)**	97%

Items excluded from underlying profit for the period are as follows:

$m 6 months ended 31 March:	**1H F14**	**Explanation of items**
Fair value of AWH and New Zealand	(24.1)	Fair value adjustment of AWH $(20.4) million and New Zealand $(3.7) million upon reclassification to assets held for sale
Forestry related	(2.0)	Relates to operating losses for the period
Profit on disposal of assets	4.3	Profit on disposal of Vet Supplies and Kilcoy investments
Tax	5.7	Recognition of deferred tax asset on temporary differences
Other	(0.7)	
Items excluded from underlying profit	**(16.8)**	

Analysis of movement in interim underlying profit

Elders generated underlying profit of $6.7 million for the six months to 31 March from sales of revenue of $650.4 million, which compares to the loss of $(23.7) million incurred in the previous corresponding period from sales revenue of $656.7 million.

This $30.4 million turnaround in profit is attributed to:

- a $8.3 million increase in margin generated by Network operations
- a $5.1 million increase in margin generated by Trading operations
- a $15.0 million reduction to costs
- reduced interest, tax and non-controlling interests by $2.0 million

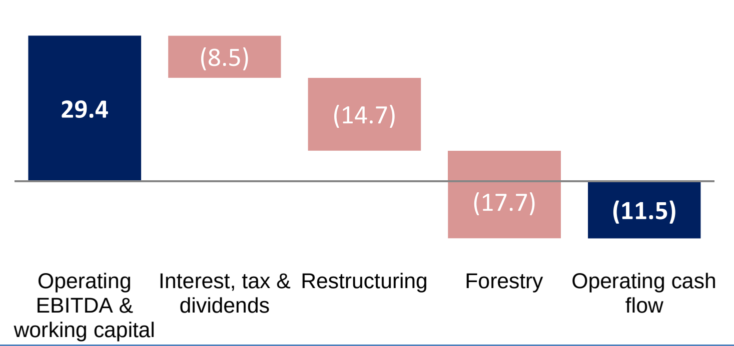
Discussion of the operational factors contributing to the first half results is provided under the heading; "Operational Review" below.

Cash Flow

Cash flow						
$million 6 months ended 31 March:	Forestry	Restructure	Rural Services	**1H F14**	**1H F13**	**Change**
Operating cash flow	(17.7)	(14.7)	20.9	(11.5)	(30.1)	62%
Investing cash flow				26.1	13.6	92%
Financing cash flow				(44.4)	(2.2)	n/m
Total cash flow				**(29.8)**	**(18.7)**	(59%)

Improved cash generation from Rural Services operations was offset by the outflows associated with restructuring initiated in the prior period $(14.7 million) and cash outflows associated with the discontinuing Forestry operation $(17.7 million). The latter figure, which includes lease, grower and redundancy payments made during the period, represents the final major outflows from the discontinued Forestry operations, the withdrawal from which is now largely complete. Annualised lease payments attributable to remaining Forestry obligations are now expected to reduce to approximately $1.6 million.

***1H Operating Cash Flow** ($million)*



Cash flow of $26.1 million from investing activities is largely attributable to the proceeds from disposal of assets during the period. The repayment of term debt and reduced balances for self-liquidating and other debt facilities resulted in an outflow of $(44.4) million from financing activities.

Balance Sheet

Elders' balance sheet at 31 March 2014 featured continued reductions in indebtedness and working capital.

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.

Balance Sheet: key items			
$million as at:	**Mar 14**	**Sept 13**	**Mar 13**
Inventory	105.7	116.3	138.6
Livestock	31.4	36.7	49.1
Trade and other receivables	305.0	344.1	352.0
Trade and other payables	(243.0)	(254.5)	(263.7)
Working capital	**199.1**	**242.6**	**276.0**
Assets held for sale - net	67.9	6.1	135.0
Property, plant and equipment	27.5	35.1	43.0
Investments	7.2	82.2	75.7
Intangibles	5.6	5.6	105.0
Provisions	(46.3)	(81.5)	(100.8)
Borrowings: term debt	118.3	143.8	231.1
Borrowings: self-liquidating and other facilities	124.3	150.9	155.4
Debt related financial derivatives	-	0.4	0.9
Cash and cash equivalents	(6.0)	(39.9)	(73.3)
Net debt	**236.6**	**255.2**	**314.1**

Working capital

Working capital was 18% lower than at the beginning of the period and by 28% from the level at 31 March 2013.
This reduction can be attributed to the ongoing efforts to reduce the capital intensity of the business, normal seasonal movement and classification of working capital balances to assets held for sale. Initiatives to reduce working capital levels have included a shift to greater custom-fed cattle processing at the Charlton feedlot, reduced inventory holdings and lower livestock on balance sheet.

During the period, Elders identified several assets to be held for sale as part of its overall capital and finance strategy. These assets are the investment in AWH, Charlton feedlot, New Zealand network and New Zealand wool trading business. These assets have been recorded at fair value as at balance date.

Indebtedness

Net debt at 31 March 2014 was 7% lower than at the beginning of the period and 25% lower than 12 months previous. Term debt reduced through the amortisation of debt from proceeds of disposal of investments. Reduction in self-liquidating facilities is in line with normal seasonal movement.

Other balance sheet

Provisions have decreased by $(33.5 million) from utilisation and reassessment of redundancy and Forestry provisions.

OPERATIONAL REVIEW

Elders' continuing operations concern the generation of revenue from rural services including:

- the provision of agency services (wool, livestock, real estate and grain agency), retail (farm supplies and fertiliser) and distribution of financial services (insurance, banking and financial planning) through the Elders network of 313 points of presence across Australia; and

- trading operations encompassing feed and processing services (operation of feedlots in Australia and Indonesia and Elders Fine Foods in China) and the conduct of long and short haul live export trade in cattle.

While sales generated by these operations in the six months to 31 March 2014 of $650.4 million were largely unchanged, the business recorded a substantial improvement in EBIT. EBIT for the 2014 first half was $12.4 million compared with the EBIT loss of $16.0 million in the prior corresponding period.

Each business stream contributed increased earnings contribution with the key features being:

- Network: Strong performance in the Rural Agency businesses in particular with margin generation increasing in Rural Retail.
  - Agency: the Livestock and Real Estate businesses drove strong improvement in margin generated.
    - Livestock recorded a $6.0 million improvement resulted from higher sheep (10%) and cattle (13%) volumes driven by drought and increased international demand. Cattle prices were stable while sheep prices rose 16% with processor concerns over supply.
    - Real Estate margin increased by $1.2 million through higher turnover in both broadacre and residential sales.
    - Wool agency margins were $(1.0) million below last year due to volume sold decreasing by 13% with falling wool prices. Volume received was lower by 5% with drought affecting national clip size.
  - Retail: margin generated rose by 5%. Elders completed transition to decentralised distribution and margin also benefited from improved volume rebates in comparison with prior period.
  - Financial Services: Stable margins generated through Banking and Insurance businesses.
- Trading: Improvements in the long haul trading business and increased occupancy in the domestic feedlots.
  - Live Export margin improved by $4.4 million with strong demand for Australian feeder and slaughter cattle, particularly from Indonesia as a result of the significant increase in import permits for Australian cattle, leading to higher short haul volumes in a very competitive market. Demand for breeding cattle continues to remain strong, particularly dairy heifers from Australia and New Zealand for Chinese milk production, and contributed to higher margins in the long haul business. No amendments to the prior year comparatives have been made in regards to the irregularities brought to account in the year ended 30 September 2013.
  - Feedlot margin increased by $0.5 million. Dry conditions drove larger numbers of cattle into the feedlot system, which was well supported by strong export demand. Higher occupancy at Killara feedlot increased overhead efficiencies, with favourable ration prices and strong demand also contributing to higher margin.
  - Margin contributed by Indonesian operations remained constant. Favourable operating conditions prevalent in the previous year continued into F14. Margins were maintained with higher earning rates offsetting the impact of lower prices on stable sale volumes.
- Costs were reduced by $15.0 million through the benefits realised through the restructure in F13. Elders affirms it is on track to deliver the full year cost savings of $25 million previously advised.

Safety has been identified as the most important operational priority for the business. Results for the first half of 2014 have demonstrated a marked improvement towards the zero injury workplace that is desirable. A total of 7 lost time injuries were recorded in the six months to March, down from 13 in the prior corresponding period. In March 2014, Elders conducted its first national safety survey to gauge the safety culture in the business. The results of this survey are being analysed and will be used to improve on poor performance and benchmark future surveys.

OUTLOOK

Elders anticipates its results for the six months to September will continue to feature improvement against the previous year's results, although performance will, as always, be subject to the influence of the seasonal, market and international trade relation factors that affect the Australian farm sector.

In this respect, conditions as at the date of this report are, on balance, positive with:

- a promising seasonal break in eastern and western Australia for winter cropping
- firming cattle prices with improvement in seasonal conditions, robust beef and live export demand and reasonable AUD exchange rate
- strengthening sheep prices with tighter supply following high level of drought induced destocking activity
- high feedlot demand with recent drought conditions affecting producer feed availability
- strong demand from the Asian long haul and short haul markets for live export

Capital management

Capital management will continue to be a priority, and Elders anticipates further progress in restoring strength to its balance sheet through the divestment of non-core assets and the application of proceeds to reduce term debt. Upon successful execution of the debt reduction strategy Elders will be seeking a transition to a new syndicated structure in advance of the current facilities maturity in December 2014.

Forestry

Elders' remaining exposure to Forestry is the lease of approximately 2,000 hectares of plantation land. The relevant leases expire between 2018 and 2020, unless terminated earlier. As disclosed under 'Cash Flow' above, these leases carry an aggregate cash obligation of approximately $1.6 million per annum. It is Elders' intention to secure early termination or a transfer of these obligations as soon as can be agreed. Should that not occur, it is forecast that the cash impact of lease payments will be substantially offset by the proceeds from harvest of the plantation timber at maturity. Elders considers that existing provisions are sufficient to fully provide for the profit and loss impact of the leases and associated plantations being held to maturity.

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 26 – "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 and Chief Executive Officer

Adelaide
19 May 2014

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 MARCH 2014

	Note	**6 months March 2014 $000**	6 months March 2013 $000
Continuing operations			
Sales revenue	4	**650,431**	656,747
Cost of sales		**(483,416)**	(499,171)
Other revenues		**1,521**	1,295
Expenses	4	**(157,119)**	(249,207)
Share of profit of associates and joint ventures	6	**250**	55
Gain/(loss) on sale of non current assets	4	**2,619**	(4)
Interest revenue	15	**2,989**	4,412
Finance costs	15	**(11,872)**	(19,006)
Profit/(loss) from continuing operations before income tax expense		**5,403**	(104,879)
Income tax (expense)/benefit	5	**5,745**	(48,626)
Profit/(loss) from continuing operations after income tax expense		**11,148**	(153,505)
Net profit/(loss) of discontinued operations, net of tax	15	**(20,317)**	(147,231)
Net profit/(loss) for the period		**(9,169)**	(300,736)
Items that may be reclassified to profit and loss			
Foreign currency translation		**3,233**	544
Cash flow hedge and fair value of derivatives		**392**	1,025
Income tax on items of other comprehensive income		**-**	209
Other comprehensive income/(loss) for the period, net of tax		**3,625**	1,778
Total comprehensive income/(loss) for the period		**(5,544)**	(298,958)
Profit/(loss) for the period is attributable to:			
Non-controlling interest		**981**	2,427
Owners of the parent		**(10,150)**	(303,163)
		(9,169)	(300,736)
Total comprehensive income/(loss) for the period is attributable to:			
Non-controlling interest		**1,128**	2,478
Owners of the parent		**(6,672)**	(301,436)
		(5,544)	(298,958)
Reported operations			
Basic earnings per share (cents per share)	13	**(2.2)¢**	(67.6)¢
Diluted earnings per share (cents per share)	13	**(2.2)¢**	(67.6)¢
Continuing operations			
Basic earnings per share (cents per share)	13	**2.4¢**	(34.4)¢
Diluted earnings per share (cents per share)	13	**0.6¢**	(34.4)¢
Discontinued operations			
Basic earnings per share (cents per share)	13	**(4.6)¢**	(33.1)¢
Diluted earnings per share (cents per share)	13	**(4.6)¢**	(33.1)¢

The accompanying notes form an integral part of this consolidated statement of comprehensive income.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2014

	Note	March 2014 $000	September 2013 $000
Current assets			
Cash and cash equivalents		**5,957**	39,927
Trade and other receivables		**305,019**	344,133
Livestock		**31,449**	36,671
Inventory		**105,740**	116,311
Derivative financial instruments		**1,935**	1,220
Assets classified as held for sale	15	**98,958**	6,100
Current tax assets		**801**	1,363
Total current assets		**549,859**	545,725
Non current assets			
Receivables		**412**	4,175
Other financial assets		**1,278**	19,538
Investments in associates and joint ventures	6	**5,945**	62,700
Property, plant and equipment		**27,496**	35,096
Intangibles		**5,615**	5,615
Deferred tax assets		**12,016**	8,068
Total non current assets		**52,762**	135,192
Total assets		**602,621**	680,917
Current liabilities			
Trade and other payables		**243,041**	254,530
Derivative financial instruments		**-**	493
Interest bearing loans and borrowings	7	**242,294**	268,116
Provisions		**38,031**	73,630
Liabilities directly associated with assets held for sale	15	**31,072**	-
Total current liabilities		**554,438**	596,769
Non current liabilities			
Interest bearing loans and borrowings	7	**248**	26,569
Deferred tax liabilities		**1,687**	3,468
Provisions		**8,235**	7,911
Total non current liabilities		**10,170**	37,948
Total liabilities		**564,608**	634,717
Net assets		**38,013**	46,200
Equity			
Contributed equity		**1,268,568**	1,269,153
Hybrid equity		**145,151**	145,151
Reserves		**(18,713)**	(21,825)
Retained earnings/(losses)		**(1,360,357)**	(1,350,520)
Total parent entity equity interest		**34,649**	41,959
Non-controlling interests		**3,364**	4,241
Total equity		**38,013**	46,200

The accompanying notes form an integral part of this consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 MARCH 2014

	6 months March 2014 $000	6 months March 2013 $000
Cash flow from operating activities		
Receipts from customers	**2,546,613**	2,718,669
Payments to suppliers and employees	**(2,550,573)**	(2,733,539)
Dividends received	**2,027**	8,370
Interest received	**3,495**	5,236
Interest and other costs of finance paid	**(12,269)**	(17,701)
GST (paid)/refunded	**308**	(11,606)
Income taxes (paid)/refunded	**(1,140)**	448
Net operating cash flows	**(11,539)**	(30,123)
Cash flow from investing activities		
Payment for property, plant and equipment	**(1,141)**	(3,104)
Payment for controlled entities, net of cash acquired	**-**	(1,261)
Payment for design and development capitalised	**-**	(8,726)
Proceeds from sale of non current assets held for sale	**5,970**	23,006
Proceeds from sale of equity accounted investments	**10,394**	-
Proceeds from sale of property, plant and equipment	**538**	192
Proceeds from sale of intangibles	**-**	566
Proceeds from disposal of controlled entity	**7,047**	-
Payment for acquisition of non-controlling interest	**-**	(189)
Repayment of loans by associated entities	**3,330**	750
Loans repaid by growers	**-**	2,350
Net investing cash flows	**26,138**	13,584
Cash flow from financing activities		
Proceeds from sale of reserved shares	**-**	7
Proceeds from borrowings	**-**	61,034
Repayment of borrowings	**(42,148)**	(61,015)
Principal repayments of lease liabilities	**(216)**	(227)
Partnership profit distributions/dividends paid	**(2,005)**	(1,963)
Net financing cash flows	**(44,369)**	(2,164)
Net increase/(decrease) in cash held	**(29,770)**	(18,703)
Cash balances classified as held for sale assets	**(4,200)**	-
Cash at the beginning of the financial period	**39,927**	91,969
Cash at the end of the financial period	**5,957**	73,266

The accompanying notes form an integral part of this consolidated statement of cash flows.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 MARCH 2014

$000	Contributed equity	Hybrid equity	Reserves	Retained earnings/ (losses)	Non-controlling interest	Total equity
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**
Cash flow hedges and fair value of derivatives	**-**	**-**	**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**
As at 1 October 2012	1,270,323	145,151	(27,310)	(844,029)	7,647	551,782
Profit/(loss) for the period	-	-	-	(303,163)	2,427	(300,736)
Other comprehensive income/(loss):						
Foreign currency translation	-	-	493	-	51	544
Cash flow hedges and fair value of derivatives	-	-	1,025	-	-	1,025
Income tax on items of other comprehensive income	-	-	209	-	-	209
Total comprehensive income/(loss) for the period	-	-	1,727	(303,163)	2,478	(298,958)
Transactions with owners in their capacity as owners:						
Tax effect on share issue costs	(585)	-	-	-	-	(585)
Proceeds from sale of reserved shares	-	-	7	-	-	7
Partnership profit distributions/dividends paid	-	-	-	-	(1,963)	(1,963)
Excess paid for purchase of non-controlling interest	-	-	12	-	-	12
Cost of share based payments	-	-	753	-	-	753
Other transfers	-	-	-	10	-	10
Reallocation of equity	-	-	477	(477)	-	-
As at 31 March 2013	1,269,738	145,151	(24,334)	(1,147,659)	8,162	251,058

The accompanying notes form an integral part of this consolidated statement of changes in equity.

NOTE 1 CORPORATE INFORMATION

The consolidated financial report of Elders Limited for the half year ended 31 March 2014 was authorised for issue in accordance with a resolution of the Directors on 19 May 2014.

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 are described in the Directors' Report and note 12.

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 THE GROUP'S ACCOUNTING POLICIES

(a) Basis of preparation

The half year consolidated financial statements for the 6 months ended 31 March 2014 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 2013.

In preparing the financial report, the Directors have made an assessment of the ability of Elders to continue as a going concern. In doing so, the Directors have considered the cash flow requirements of business operations, availability of funding, realisation of assets and expected settlement of liabilities.

In order to achieve its operational and debt obligations, Elders will be required to meet forecast trading results and cash flows, and to complete the sale of certain assets or to otherwise obtain additional funding. Elders uses best estimate assumptions in the development of trading and cash flow forecasts. These assumptions are subject to influences and events outside the control of Elders. The domestic and international trading environment presents challenges in terms of forecasting sales prices, volumes, margins and operating cash flows. Whilst the Directors have instituted measures to minimise the cash demands of the business, this environment creates material uncertainties over the future trading results and cash flows.

The most recent facilities agreement between Elders and its banking syndicate requires Elders to amortise its facilities in a staged fashion. In order to meet these amortisation obligations, Elders will be required to realise certain investments and assets, for which the Directors have instituted an orderly divestment process, or to otherwise obtain additional or replacement debt or equity funding.

At the date of this report, the following material uncertainties arise in relation to the preparation of this financial report: a) whether Elders will continue to trade within expectations; b) whether asset realisation program initiatives will be achieved in respect of quantum and timing of sales; c) whether debt amortisation milestones will continue to be met or be supplanted in whole or in part by alternative capital or funding proposals. Resolution of these material uncertainties is fundamental to the ability of Elders to pay its debts as and when they become due and payable and to continue as a going concern.

Subject to resolution of the material uncertainties set out above in a manner favourable to Elders, the Directors believe at the date of the signing of the financial report there are reasonable grounds to believe that Elders will meet its debts as and when they become due and payable.

Should Elders not achieve anticipated trading or asset realisation outcomes, otherwise continue to receive the ongoing support of its financiers or obtain additional or replacement debt or equity funding, there is material uncertainty whether Elders will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial report.

(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 2013, except for the adoption of new standards and interpretations as of 1 October 2013 noted below, none of which had any impact on the financial position and performance of Elders:

- AASB 10 Consolidated Financial Statements
- AASB 11 Joint Arrangements
- AASB 12 Disclosure of Interests in Other Entities
- AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards
- AASB 119 Employee Benefits and AASB 2011-10 Amendments to Australian Accounting Standards

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

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 other various 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 have 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 Elders and to the particular asset that may lead to impairment. These include product and manufacturing 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 is used as a source of information to assess for any indicators of impairment. Assets have been tested for impairment in accordance with accounting policies, including the determination of recoverable amounts of assets using the higher of value in use and fair value less cost to sell.

Classification of assets and liabilities as held for sale
Elders classifies assets and liabilities as held for sale when the carrying amount will be recovered through a sale transaction. The assets and liabilities must be available for immediate sale and Elders must be committed to selling the asset either through entering into a contractual sale agreement or the activation and commitment to a program to locate a buyer and dispose of the assets and liabilities.

Impairment of intangibles with indefinite useful lives
Elders determines whether intangibles with indefinite useful lives are impaired on a bi-annual basis. This requires an estimation of the recoverable amount of the cash-generating units, using a value in use discounted cash flow methodology, to which intangibles with indefinite useful lives are 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 the assets is assessed bi-annually and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

NOTE 4 REVENUE AND EXPENSES

	Note	**6 Months March 2014 $000**	6 Months March 2013 $000
Sales revenue:			
Sale of goods and biological assets		**549,770**	562,694
Commission and other selling charges		**85,518**	78,728
Other sales related income		**15,143**	15,325
		650,431	656,747
Discontinued operations:	15	**98,336**	270,502
		748,767	927,249
Expenses:			
Distribution expenses		**116,831**	122,875
Marketing expenses		**1,279**	3,534
Occupancy expenses		**12,545**	15,634
Administrative expenses		**25,342**	29,987
Forestry fair value adjustments and impairments		**(1,125)**	3,377
Impairment of assets retained		**-**	52,000
Restructuring, redundancy and other write offs		**2,247**	18,908
Change in fair value of financial and other assets		**-**	2,892
		157,119	249,207
Discontinued operations:	15	**38,294**	207,198
		195,413	456,405
Profit/(loss) on sale of non current assets:			
Property, plant and equipment		**385**	(4)
Profit on sale of controlled entities		**2,234**	-
		2,619	(4)
Discontinued operations:	15	**2,065**	2,078
		4,684	2,074
Specific expenses:			
Depreciation and amortisation		**2,079**	12,820

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 March 2014 $000	6 months March 2013 $000
Accounting profit/(loss) before tax from:		
- Continuing operations	**5,403**	(104,879)
- Discontinued operations	**(19,407)**	(159,205)
Total Accounting profit/(loss) before tax	**(14,004)**	(264,084)
Income tax expense/(benefit) at 30% (2013: 30%)	**(4,201)**	(79,225)
Adjustments in respect of current income tax of previous years	**(47)**	(3,415)
Share of associate (profits)/losses	**(965)**	(1,242)
Non assessable (profits)/losses	**(3,549)**	9,528
Non deductible other expenses	**1,232**	1,611
Impairment expense	**7,442**	54,129
Losses available not otherwise brought to account	**(2,427)**	57,518
Other	**(2,320)**	(2,252)
Income tax expense/(benefit) as reported in the statement of comprehensive income	**(4,835)**	36,652
Aggregate Income tax expense/(benefit) is attributable to:		
- Continuing operations	**(5,745)**	48,626
- Discontinued operations	**910**	(11,974)
	(4,835)	36,652

Tax losses

Elders has tax losses for which no deferred tax asset is recognised in the statement of financial position of $243.9 million (September 2013: $232.1 million) which are available indefinitely for offset against future taxable profits subject to continuing to meet relevant statutory tests.

Unrecognised temporary differences

At 31 March 2014, there are no unrecognised temporary differences associated with Elders' investment in subsidiaries, associates or joint ventures, as Elders would have no additional tax liability.

NOTE 6 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Name of Investment	Ownership interest		Consolidated entity investment		Contribution to net profit/(loss)	
					6 months	6 months
	March 2014	Sept 2013	**March 2014**	Sept 2013	**March 2014**	March 2013
	%	%	**$000**	$000	**$000**	$000
AWH Pty Ltd	**50**	50	**-**	49,671	**2,138**	2,262
Kilcoy Pastoral Company Limited	**-**	20	**-**	7,120	**828**	360
Elders Financial Planning Pty Ltd	**49**	49	**5,204**	5,278	**(73)**	(109)
Elders Insurance (Underwriting Agency) Pty Limited	**10**	10	**-**	-	**-**	3,146
Agricultural Land Trust	**6**	52	**-**	-	**-**	(1,253)
Other investments			**741**	631	**323**	92
			5,945	62,700	**3,216**	4,498
Share of profit of associates and joint ventures is attributable to:						
- Continuing operations					**250**	55
- Discontinued operations					**2,966**	4,443
					3,216	4,498

Elders' investments in AWH Pty Ltd, Elders Insurance (Underwriting Agency Pty Limited and Agricultural Land Trust are classified as held for sale assets, refer note 15. A $2.4 million profit on sale of the investment in Kilcoy Pastoral Company was recognised the period.

NOTE 7 INTEREST BEARING LOANS AND LIABILITIES

	March 2014	September 2013
	$000	$000
Current		
Secured loans	**118,322**	119,547
Trade receivables funding	**123,556**	148,282
Lease liabilities	**416**	287
	242,294	268,116
Non current		
Secured loans	**-**	24,720
Unsecured loans	**-**	1,733
Lease liabilities	**248**	116
	248	26,569
Total current and non current	**242,542**	294,685

Elders also has an ancillary facility in relation to off balance sheet funding, such as bank guarantees, of $61.3 million. As at 31 March 2014 $60.2 million had been drawn (30 September 2013: $39.6 million). Note 2(a) outlines factors which should be taken into account in determining the fair value of Elders' interest bearing liabilities. In certain circumstances, this may result in the fair value being different to the carrying value at 31 March 2014 outlined above. Due to the material uncertainty around the matters outlined in note 2(a), it is not possible to reliably estimate the fair value of these liabilities.

Fair value of financial assets and liabilities

Elders use various methods in estimating the fair value of a financial instrument. The methods comprise:

- Level 1 – the fair value is calculated using quoted prices in active markets.
- Level 2 – the fair value is estimated using inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

All forward exchange derivative contracts were measured at fair value using the level 2 method. Fair value of derivative instruments approximates the carrying value. The fair values of forward currency contracts are calculated by reference to current forward exchange rates for contracts with similar maturity profiles. Any gains or losses arising from changes in fair value of derivatives are taken directly to profit and loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income.

NOTE 8 RESERVES

Reconciliation of carrying amounts at beginning and end of period:

6 months ended March 2014	Business combina-tion reserve $000	Employee equity benefits reserve $000	Foreign currency translation reserve $000	Net unrealised gains reserve $000	Reserved shares reserve $000	Total $000
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)**
6 months ended March 2013						
Carrying amount at beginning of period	(16,169)	397	(7,707)	(1,641)	(2,190)	(27,310)
Foreign currency translation	-	-	544	-	-	544
Non-controlling interest share of movement	-	-	(51)	-	-	(51)
Cash flow hedges and fair value of derivatives	-	-	-	1,025	-	1,025
Income tax on items taken directly or transferred to equity	-	-	-	209	-	209
Proceeds from sale of reserved shares	-	-	-	-	7	7
Excess paid for purchase of non-controlling interest	12	-	-	-	-	12
Cost of share based payments	-	753	-	-	-	753
Transfer to retained earnings	(346)	(339)	-	-	1,162	477
Transfer to reserved shares reserve	-	397	-	-	(397)	-
Carrying amount at end of period	(16,503)	1,208	(7,214)	(407)	(1,418)	(24,334)

NOTE 9 DIVIDENDS

	6 months March 2014 $000	6 months March 2013 $000
Current year interim		
- No interim dividend will be paid (2013: Nil)	**-**	-
Previous year final		
- No final dividend paid (2013: Nil)	**-**	-
Subsidiary equity dividends on ordinary shares:		
Dividends paid to external parties during the half year	**2,005**	1,963

Elders financing package contains a prohibition on the payment of ordinary dividends to shareholders and distributions on hybrid securities. No hybrid security distributions were declared or paid during the period.

NOTE 10 EXPENDITURE COMMITMENTS

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

	March 2014 $000	September 2013 $000
Operating leases commitments:		
- Within one year	**40,431**	59,417
- After one year but not later than five years	**61,076**	117,255
- After more than five years	**12,063**	57,530
Total minimum lease payments	**113,570**	234,202

Operating Lease commitments have declined in line with the exit from Forestry.

NOTE 11 CONTINGENT LIABILITIES

There are potential legal matters that occur in the ordinary course of business that are being considered by Elders' legal advisors. Based on the current information available, the following applies:

Unquantifiable contingent liabilities

- Elders has contingent obligations in respect of real property let or sub-let by entities within the Group.
- Benefits are payable under service agreements with executive Directors and other employees of Elders under certain circumstances such as achievement of prescribed performance hurdles, occurrence of certain events or termination of employment for reasons other than serious misconduct.
- Elders has provided a guarantee to a third party in relation to certain obligations of Caversham Property Developments Pty Limited, a former subsidiary of Elders Limited. The Directors are of the view that Elders' liability under the guarantee is unquantifiable and remote.
- A member of the Group is party to a put option in connection with a third party's holding in B&W Rural Pty Ltd, an incorporated joint venture in which Elders is the 75% shareholder. If exercised, Elders will own all the issued capital in B&W Rural Pty Ltd. It is not known whether the third party will exercise its rights pursuant to that put option, nor is it presently ascertainable what the consideration for the option shares might be.
- Members of the Group have, from time to time and in the ordinary course, provided parent company guarantees in respect of certain contractual obligations of their subsidiaries.
- Members of the Group have from time to time provided warranties and indemnities in connection with the disposal of assets. The Directors are not aware at the present time of any material exposures under the warranties or indemnities.
- Various legal claims for damages resulting from the use of products or services of Elders are in existence for which no provision has been raised as it is not currently probable that these claims will succeed or it is not practical to estimate the potential effect of these claims. The Directors are of the view that none of these claims based on the net exposure are likely to be material.
- Elders is assisting certain regulators in connection with enquiries either specific to the activities of the Group or to certain markets in which Elders operates. The Directors are of the view that it is not yet known what the outcome of the enquires will be and it is not presently ascertainable whether any liabilities will arise from these enquiries.

NOTE 12 SEGMENT INFORMATION

Identification of reportable segments

Elders has identified its operating segments to be the five segments of Network, Trading, Forestry, Automotive Components (divested during the period up to 30 September 2013) 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.
- Trading operations link offshore markets with primary producers, delivering a range of livestock, food and fibre solutions.
- Forestry includes Elders' interests in forestry plantations and forestry related investments.
- Automotive Components include the manufacturing and sales of automotive components of which the key components are seating, interior trim, and insulation packages. The Automotive segment was divested during the period up to 30 September 2013.
- 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.

Changes have been made to the composition of the Rural Services and Investment and Other segments to reflect changes in internal reporting. The comparative segment information has been restated to reflect these changes. No amendments to the prior year comparatives have been made in regards to the Trading irregularities brought to account in the year ended 30 September 2013.

	Network	Trading	Forestry	Other	Total
6 months March 2014	**$000**	**$000**	**$000**	**$000**	**$000**
External sales	485,524	216,960	-	46,283	748,767
Other revenues	450	-	-	1,521	1,971
Share of profit of associates and joint ventures	2,388	828	-	-	3,216
Profit/(loss) on sale of non current assets	2,619	2,445	(130)	(250)	4,684
Interest revenue	2,939	108	153	295	3,495
	493,920	220,341	23	47,849	762,133
Earnings before interest, tax, depreciation & amortisation	6,203	6,473	(1,710)	(14,174)	(3,208)
Depreciation & amortisation	(1,022)	(602)	-	(455)	(2,079)
Segment result	5,181	5,871	(1,710)	(14,629)	(5,287)
Corporate net interest expense					(8,717)
Profit from ordinary activities before tax					(14,004)
Segment result	5,181	5,871	(1,710)	(14,629)	(5,287)
Less discontinued operations results	(17,857)	3,926	(2,543)	(3,099)	(19,573)
Continuing profit/(loss) before net borrowing costs and tax expense	23,038	1,945	833	(11,530)	14,286
Corporate net interest expense					(8,883)
Continuing profit/(loss) before tax expense					5,403
Segment assets	446,860	90,148	163	65,450	602,621
Segment liabilities	(211,834)	(21,145)	(5,292)	(326,337)	(564,608)
Net assets	235,026	69,003	(5,129)	(260,887)	38,013

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2014

NOTE 12 SEGMENT INFORMATION

	Network	Trading	Forestry	Automotive Compon-ents	Other	Total
6 months March 2013	$000	$000	$000	$000	$000	$000
External sales	512,425	196,338	990	174,408	43,088	927,249
Other revenues	74	820	1,092	7,481	771	10,238
Share of profit of associate and joint ventures	5,463	360	(1,253)	(72)	-	4,498
Profit/(loss) on sale of non current assets	(4)	-	1,854	224	-	2,074
Interest revenue	3,997	323	196	34	686	5,236
	521,955	197,841	2,879	182,075	44,545	949,295
Earnings before interest, tax, depreciation & amortisation	2,634	3,107	(1,889)	(153,558)	(86,801)	(236,507)
Depreciation & amortisation	(1,291)	(1,136)	-	(9,406)	(987)	(12,820)
Segment result	1,343	1,971	(1,889)	(162,964)	(87,788)	(249,327)
Corporate net interest expense						(14,757)
Profit from ordinary activities before tax						(264,084)
Segment result	1,343	1,971	(1,889)	(162,964)	(87,788)	(249,327)
Less discontinued operations results	5,408	365	1,603	(162,964)	(3,454)	(159,042)
Continuing profit/(loss) before net borrowing costs and tax expense	(4,065)	1,606	(3,492)	-	(84,334)	(90,285)
Corporate net interest expense						(14,594)
Continuing profit/(loss) before tax expense						(104,879)
September 2013						
Segment assets	480,878	93,182	6,196	-	100,661	680,917
Segment liabilities	(193,244)	(15,305)	(21,089)	-	(405,079)	(634,717)
Net assets	287,634	77,877	(14,893)	-	(304,418)	46,200

NOTE 13 EARNINGS PER SHARE

	March 2014	March 2013
Weighted average number of ordinary shares ('000) used in calculating basic EPS	**455,013**	448,598
Dilutive share options ('000)	**1,364,452**	1,234,756
Adjusted weighted average number of ordinary shares used in calculating dilutive EPS ('000)	**1,819,465**	1,683,354

Hybrid notes have been included in the calculation of dilutive EPS, as they are believed to be dilutive when a statutory profit is made.

	March 2014 $000	March 2013 $000
Reported operations		
Basic		
Net profit/(loss) attributable to members (after tax)	**(10,150)**	(303,163)
Dilutive		
Net profit/(loss) attributable to members (after tax)	**(10,150)**	(303,163)
Reported operations earnings per share:		
Basic earnings per share (cents per share)	**(2.2)¢**	(67.6)¢
Diluted earnings per share (cents per share)	**(2.2)¢**	(67.6)¢
Continuing operations		
Basic		
Net profit/(loss) attributable to members (after tax)	**(10,150)**	(303,163)
Less: Net loss/(profit) of discontinued operations (net of tax)	**21,014**	148,643
Net profit/(loss) of continuing operations (net of tax)	**10,864**	(154,520)
Dilutive		
Net profit/(loss) of continuing operations (net of tax)	**10,864**	(154,520)
Continuing operations earnings per share:		
Basic earnings per share (cents per share)	**2.4 ¢**	(34.4)¢
Diluted earnings per share (cents per share)	**0.6 ¢**	(34.4)¢
Discontinued operations		
Net profit/(loss) of discontinued operations (net of tax)	**(21,014)**	(148,643)
Discontinued operations earnings per share:		
Basic earnings per share (cents per share)	**(4.6)¢**	(33.1)¢
Diluted earnings per share (cents per share)	**(4.6)¢**	(33.1)¢

NOTE 14 BUSINESS COMBINATIONS – CHANGES IN THE COMPOSITION OF THE ENTITY

During the period there were immaterial disposals resulting in a profit on sale of $2.2 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2014

NOTE 15 DISCONTINUED OPERATIONS

Financial period 31 March 2014

Elders' investments in Kilcoy Pastoral and Australian Fine China were disposed of during the period. During the period, the 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, with all assets previously classified as held for sale sold. Elders also classified its investment in Agricultural Land Trust as held for sale in the 6 months to 30 September 2013.

As required by AASB 5 Non-current Assets Held for Sale and Discontinued Operations the 2013 comparative discontinued operations disclosed below have been re-presented to show the effects of these classifications.

Financial period 31 March 2013

The investment in Futuris Automotive was classified as held for sale on 31 March 2013 and subsequently sold.

	Cont	**Disc**	**Total**	Cont	Disc	Total
	6 months March 2014	**6 months March 2014**	**6 months March 2014**	6 Months March 2013	6 Months March 2013	6 Months March 2013
	$000	**$000**	**$000**	$000	$000	$000
Sales revenue	**650,431**	**98,336**	**748,767**	656,747	270,502	927,249
Cost of sales	**(483,416)**	**(85,096)**	**(568,512)**	(499,171)	(237,810)	(736,981)
Other revenues	**1,521**	**450**	**1,971**	1,295	8,943	10,238
Other expenses	**(157,119)**	**(38,294)**	**(195,413)**	(249,207)	(207,198)	(456,405)
Share of profit of associates and joint ventures	**250**	**2,966**	**3,216**	55	4,443	4,498
Profit/(loss) on sale of non current assets	**2,619**	**2,065**	**4,684**	(4)	2,078	2,074
Interest revenue	**2,989**	**506**	**3,495**	4,412	824	5,236
Finance costs	**(11,872)**	**(340)**	**(12,212)**	(19,006)	(987)	(19,993)
Profit/(loss) before tax expense	**5,403**	**(19,407)**	**(14,004)**	(104,879)	(159,205)	(264,084)
Income tax benefit/(expense)	**5,745**	**(910)**	**4,835**	(48,626)	11,974	(36,652)
Net profit/(loss) for the period	**11,148**	**(20,317)**	**(9,169)**	(153,505)	(147,231)	(300,736)
Net profit/(loss) attributable to non-controlling interest	**284**	**697**	**981**	1,015	1,412	2,427
Net profit/(loss) attributable to members of the parent entity	**10,864**	**(21,014)**	**(10,150)**	(154,520)	(148,643)	(303,163)
Revenue and expenses						
Sales revenue:						
Sale of goods and biological assets	**549,770**	**88,274**	**638,044**	562,694	260,181	822,875
Commission and other selling charges	**85,518**	**10,062**	**95,580**	78,728	10,223	88,951
Other sales related income	**15,143**	**-**	**15,143**	15,325	98	15,423
	650,431	**98,336**	**748,767**	656,747	270,502	927,249
Other expenses:						
Distribution expenses	**116,831**	**6,734**	**123,565**	122,875	6,014	128,889
Marketing expenses	**1,279**	**350**	**1,629**	3,534	443	3,977
Occupancy expenses	**12,545**	**1,921**	**14,466**	15,634	3,532	19,166
Administrative expenses	**25,342**	**4,644**	**29,986**	29,987	32,930	62,917
Forestry fair value adjustments	**(1,125)**	**-**	**(1,125)**	3,377	(13,225)	(9,848)
Write down of assets to be divested or discontinued	**-**	**24,645**	**24,645**	-	176,054	176,054
Impairment of assets retained	**-**	**-**	**-**	52,000	-	52,000
Restructuring, redundancy and refinancing costs	**2,247**	**-**	**2,247**	18,908	1,450	20,358
Change in fair value of financial and other assets	**-**	**-**	**-**	2,892	-	2,892
	157,119	**38,294**	**195,413**	249,207	207,198	456,405
Profit/(loss) on sale of non current assets:						
Non current assets held for sale	**-**	**(380)**	**(380)**	-	1,854	1,854
Equity accounted investments	**-**	**2,445**	**2,445**	-	-	-
Property, plant and equipment	**385**	**-**	**385**	(4)	-	(4)
Intangibles	**-**	**-**	**-**	-	224	224
Controlled entities	**2,234**	**-**	**2,234**	-	-	-
	2,619	**2,065**	**4,684**	(4)	2,078	2,074

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2014

NOTE 15 DISCONTINUED OPERATIONS

(a) Assets and liabilities – held for sale operations

	March 2014 $000	September 2013 $000
Assets classified as held for sale:		
Cash and cash equivalents	**4,200**	-
Trade and other receivables	**22,831**	-
Inventory	**19,181**	-
Investments in associates and joint ventures:		
AWH Pty Ltd	**30,000**	-
Elders Insurance (Underwriting Agency) Pty Ltd	**18,260**	-
Agricultural Land Trust	**-**	500
Australian Fine China Pty Ltd	**-**	1,250
Property, plant and equipment	**4,486**	-
Investment property	**-**	4,350
	98,958	6,100
Liabilities directly associated with assets held for sale:		
Trade and other payables	**19,903**	-
Interest bearing loans and borrowings	**10,202**	-
Provisions	**967**	-
	31,072	-

During the period, Elders identified several assets to be held for sale as part of its overall capital and finance strategy. Theses assets are the investment in AWH Pty Ltd, Elders Insurance (Underwriting Agency), Charlton Feedlot, New Zealand Network and Wool Trading.

On transfer to the asset classified as held for sale category, fair value adjustments have been recognised to revalue these assets to the lower of carrying amount or fair value less costs to sell. These include impairment of $20.4 million to AWH Pty Ltd and $3.7 million to New Zealand Network.

NOTE 16 SUBSEQUENT EVENTS

Since 31 March 2014, Elders has divested its interest in Elders Insurance (Underwriting Agency) Pty Limited. The proceeds were materially in line with the book value of $18.3 million.

There is no other matter or circumstance that has arisen since 31 March 2014 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, I state that:

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 2014 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) subject to the material uncertainties set out in note 2(a), 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 and Chief Executive Officer

Adelaide
19 May 2014

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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 2014, 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 2014 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.

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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 2014 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*.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualification to the opinion expressed above, attention is drawn to Note 2(a) within the half-year financial report. As set out in Note 2(a), there is material uncertainty over whether Elders Limited will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities at the amounts stated in the half-year financial report is dependent on these matters.

Ernst & Young

Mark Phelps
Partner
Adelaide
19 May 2014

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Ernst & Young
121 King William Street
Adelaide SA 5000 Australia
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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 2014, 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
19 May 2014