



19 November 2012

2012 Full Year Results Presentation

Attached is a presentation to be made at the briefing today on Elders Limited's results for the full year ended 30 September 2012 to be held at 9.00am Eastern Daylight Time.

The briefing will be webcast via the Company's website at www.elderslimited.com and open to a conference call. Details of telephone numbers and webcast registration were provided in the Company's release of Friday, 16 November 2012.

International callers can access telephone numbers at <http://www.elderslimited.com/news/full-year-results-announcement>

Peter Hastings
Company Secretary

FY 2012 Presentation

Results for the 12 months to 30 September 2012

19 November 2012



2012
FULL YEAR
RESULTS

Elders

Key messages

2012 has been an important year for Elders

- Improved overall business performance
- Continued progress on debt reduction
- Decision to undertake accelerated return of value to stakeholders

An accelerated return of value to stakeholders is the preferred strategy

- Continued agriculture sector corporate activity with significant international interest for Australian agribusiness
- Strong inbound interest in Elders Rural Services as it becomes a 'pure play' agribusiness
- Both Rural Services and Automotive would benefit from capital investment, not available in a capital-constrained environment

Sale process and asset divestment program underway

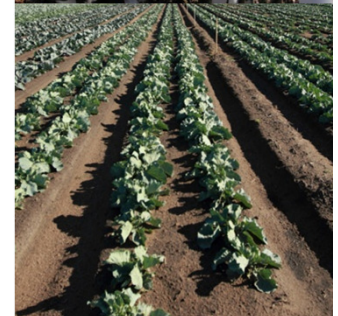
- Elders Rural Services sale in preparation stage
- Automotive sale process commenced
- Forestry Divestment Program continuing
- Continuing support from Elders' financiers



FY12 results overview

Improved underlying EBIT in Rural Services and Automotive

- Statutory loss of \$(60.6m) compared to 2011 loss of \$(395.4m)
- Items excluded from underlying profit \$(73.8m)
- Continuing sales revenue down 5% to \$2,157.9m
- Underlying EBIT up 20% to \$38.8m
- Underlying PBT up 30% to \$18.1m
- Underlying NPAT up 47% from \$9.0m to \$13.2m
- Gross borrowing reduced from \$427.0m to \$385.8m
- Core net debt down from \$205.9m to \$96.1m
- Rural Services underlying EBIT up 18% to \$29.5m
- Automotive underlying EBIT up 10% to \$18.5m



Profit and loss

Year on year comparison of profit and loss

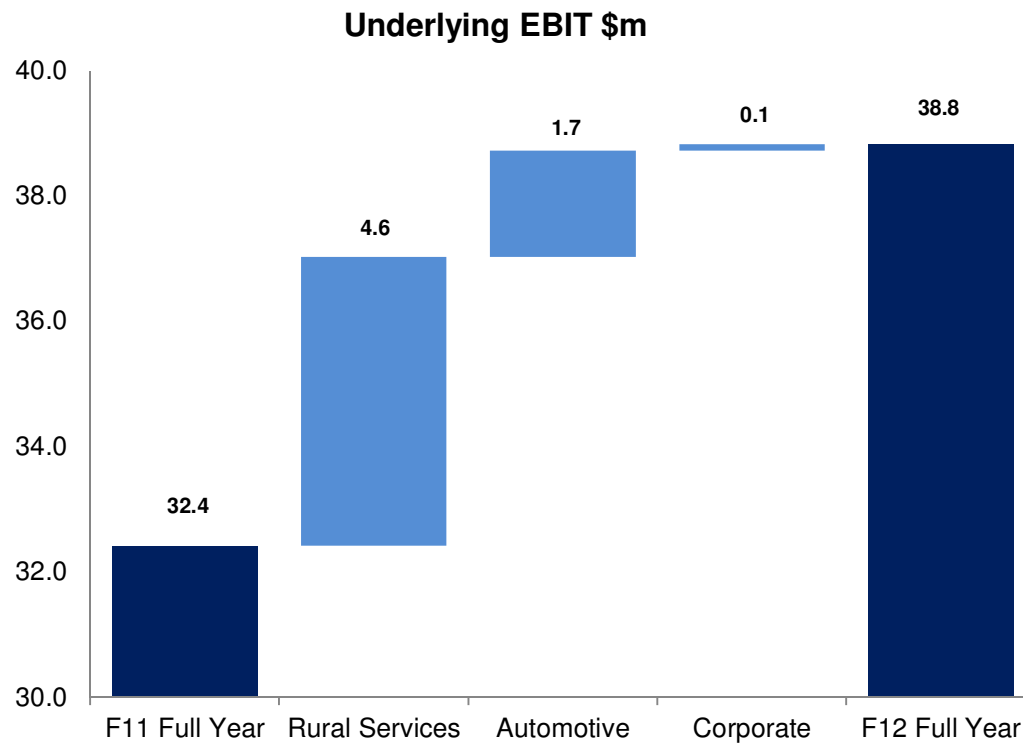
\$ million	FY12	FY11
Sales revenue from continuing operations	2,157.9	2,263.1
Underlying EBIT	38.8	32.4
Net underlying finance costs	(20.7)	(18.5)
Underlying profit before tax	18.1	13.9
Tax on underlying profit	(1.7)	(1.6)
Non-controlling interests	(3.2)	(3.3)
Underlying profit/(loss) to shareholders	13.2	9.0
Items excluded from underlying profit	(73.8)	(404.4)
Reported profit/(loss) after tax to shareholders	(60.6)	(395.4)

2012
FULL YEAR
RESULTS

Elders

Underlying EBIT up 20% from \$32.4m to \$38.8m

Driven by Rural Services and Automotive



\$ million	FY12	FY11
Rural Services	29.5	24.9
Automotive	18.5	16.8
Corporate	(9.2)	(9.3)
Total Underlying EBIT	38.8	32.4

Reconciliation of statutory and underlying profit

Items excluded from underlying profit

\$ million	FY12	FY11	Key items in 2012
Reported profit/(loss) after tax to shareholders	(60.6)	(395.4)	
Items excluded from underlying profit:			
Rural Services	(10.9)	(22.1)	Discontinued operations including BWK and Seedmark, impairments and back office restructure.
Automotive	(14.1)	(0.6)	Asset impairments, redundancies, onerous contracts and restructure of some Victorian facilities, partly offset by Anhui joint venture in China
Corporate & other	(8.0)	(46.1)	Refund of interest from ATO, which was offset by asset impairments (Aspen, AFC and Agricultural Land Management)
Forestry	(75.3)	(390.6)	Gain on asset disposals offset by discontinued Forestry operating loss, asset impairments, ALT equity loss, exit costs and resetting onerous contracts
Tax (net)	34.5	55.0	Refund of tax and reversal of provisioning relating to contested amended tax assessment
Items excluded from underlying profit	(73.8)	(404.4)	
Underlying profit/(loss) after tax to shareholders	13.2	9.0	

Key balance sheet items

\$ million	FY12	H1 12	FY11	Comments on Variance
Inventory & livestock	234.4	263.2	241.6	(7.2) Lower farm supplies offset by higher live export cattle / Auto
Trade and other receivables	498.0	520.4	540.8	(42.8) Lower livestock agency turnover, timing of live export shipments, Auto
Trade and other payables	(386.6)	(371.7)	(433.9)	47.3 Lower livestock agency turnover
Working capital	345.8	411.9	348.5	
Cash & cash equivalents	92.0	62.5	81.6	
Assets held for sale	71.5	165.9	185.9	(114.4) Forestry asset sales and impairments
Property, plant and equipment	95.7	83.9	91.3	4.4 Consolidation of Anhui JV
Investments	80.5	83.4	97.1	(16.6) Lower investment due to consolidation of Anhui joint venture
Intangibles	277.3	260.3	250.2	27.1 Anhui consolidation goodwill, expenditure on IT capability
Borrowings - current	303.0	351.6	196.0	refer next slide
Borrowings - non current	82.8	84.3	231.0	refer next slide
Hybrid equity	145.2	145.2	145.2	
Shareholders' Equity	551.8	647.3	604.7	

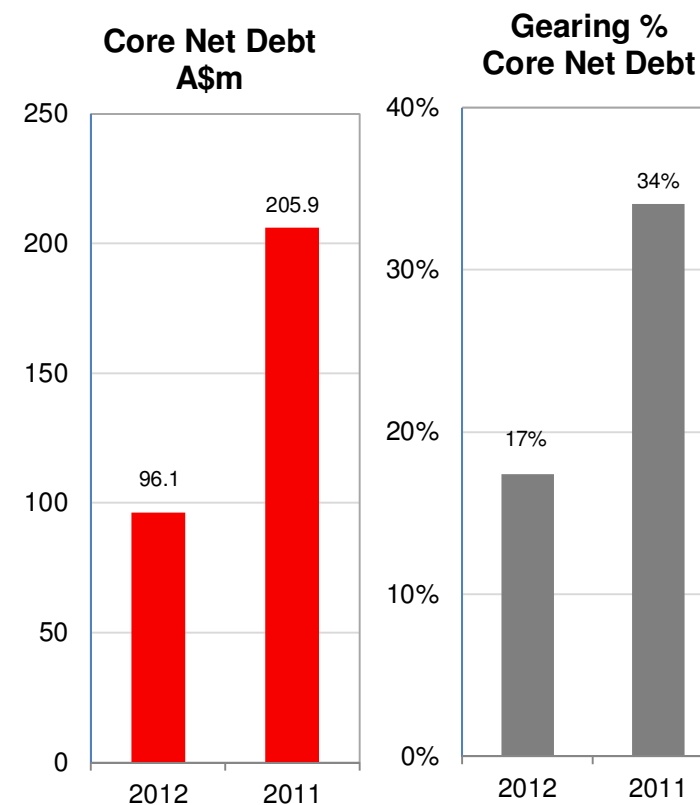
Net debt

Continued focus on core debt reduction

- Core net debt is now sub \$100m, at \$96.1m
- Core net debt gearing ratio reduced to 17%
- Self-liquidating facilities increased to \$199.2m

\$ million	FY12	H1 12	FY11
Term Debt	88.1	164.7	180.9
Revolver	93.2	126.4	93.2
Other Debt (incl. derivatives)	6.8	10.1	13.4
Cash	(92.0)	(62.5)	(81.6)
Core Net Debt	96.1	238.7	205.9
Self-liquidating facilities	199.2	134.7	139.5
Net Debt	295.3	373.4	345.4
Gearing %: Core net debt	17%	37%	34%
Gearing %: Self-liquidating	36%	21%	23%
Gearing %: Net debt	54%	58%	57%

¹ Core net debt = Total Net debt less Self-liquidating facilities



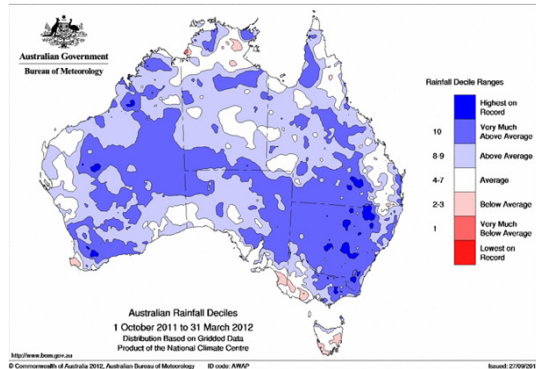
Cash flow

Strong operating cash flows from Rural Services and Automotive

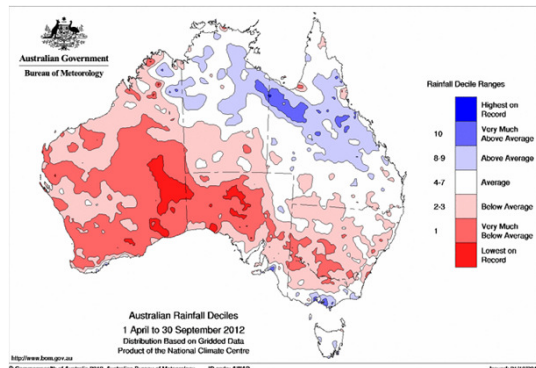
\$m to 30 September	Total	Forestry	Total ex Forestry	Rural Services	Auto	Corporate
Operating cash flow						
- before working capital	95.8	(14.8)	110.6	52.4	48.4	9.8
- working capital movement	(93.3)	(41.2)	(52.1)	(3.0)	(24.1)	(25.0)
Total operating cash flow	2.5	(56.0)	58.5	49.4	24.3	(15.2)

Rural Services seasonal and market conditions

Dry last quarter impacted agency operations



6 months to March 31 2012



6 months to 30 September 2012

Australian Network

- Widespread rainfall in H1 but in H2 most regions across eastern, southern and western Australia encountered “below average” to “very much below average” rainfall
- This led to weaker demand for farm supplies, lower sheep/wool prices and subdued broadacre real estate markets

Trading

- Strong trading performance, driven by live export
- Improved operating margins in feedlots
- Solid performance in Indonesia amid challenging market conditions
- NZ wool trading impacted by lower wool demand due to global economic conditions

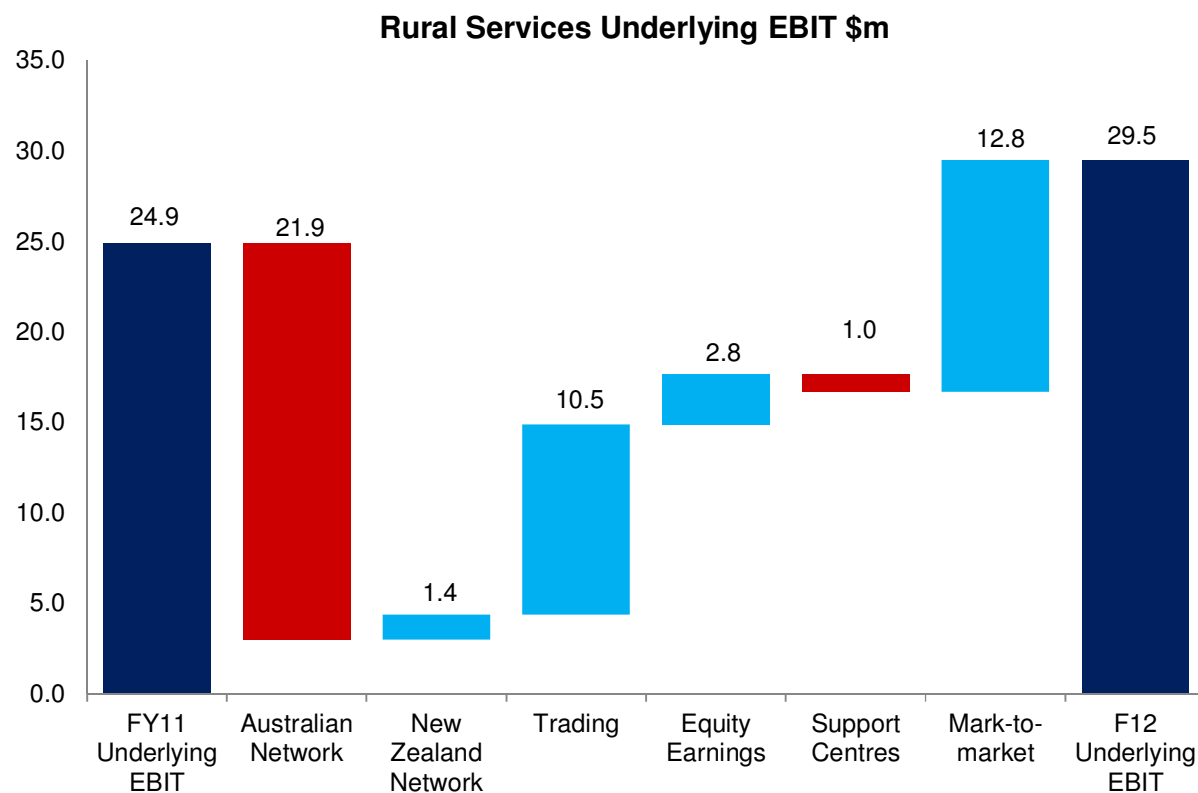
New Zealand Network

- Improved results in livestock and farm supplies were more than offset by a weaker result in wool. Weak demand and lower prices affected volumes, prices and margins for wool



Rural Services underlying EBIT movement

\$ million	FY12	FY11
Australian Network	37.1	59.0
New Zealand Network	(1.5)	(2.9)
Trading	17.6	7.1
Equity Earnings	14.1	11.3
sub-total	67.3	74.5
Support Centres	(43.4)	(42.4)
Mark-to-market	5.6	(7.2)
Total Underlying EBIT	29.5	24.9



2012
FULL YEAR
RESULTS

Elders

Australian network performance

Agency operations impacted by seasonal conditions

FY12 vs FY11	Sales Revenue \$m	Gross Margin \$m
Farm Supplies	2%	0%
Livestock agency	-11%	-14%
Wool agency	-9%	-17%
Real Estate	-6%	-5%
Banking distribution	-3%	-4%
Others	-12%	-22%
Total Australian Network	0%	-7%



Trading performance

Strong improvement in operations

Live Exports

- Short-haul volumes up 23%
- Long-haul volumes up 28%
- Strong demand from China for dairy cattle and Russia for breeding cattle continues
- Indonesian margins were maximised amid continuing uncertainty within that market

Other

- Improved operating margins in feedlots
- NZ wool trading impacted by lower wool demand

\$ million	FY12	FY11
Sales revenue	446.7	471.9
Gross margin	39.6	27.8
Costs	(22.0)	(20.7)
EBIT Underlying	17.6	7.1

Automotive results

Revenue maintained in challenging market conditions

- Business continues to reorientate to global manufacturing model with emphasis on China, Thailand and USA
- Australia: Continues to react to changing business conditions and reducing production volume. Expansion into non-auto manufacturing such as Microheat, Plexicor and rail seating
- Thailand: Expanding contracts with GM and Ford, first facility operating 24/7, construction of second facility will be complete in January 2013
- China: Awarded first seating contract with a major first tier Chinese vehicle producer - SAIC. Further contracts with Chery & JAC Motors awarded
- USA: Commenced seating production with Tesla for the high profile Model S all-electric car
- Market entry strategy for India well progressed

\$ million	FY12	FY11
Sales revenue	344.7	315.2
Gross Margin	64.6	66.4
Costs	(45.5)	(49.1)
Equity earnings	(0.6)	(0.5)
Underlying EBIT	18.5	16.8
Operating cash flow	24.3	15.4
Capital expenditure	32.3	12.3

2012
FULL YEAR
RESULTS

Elders

Rural Services key marketing themes

- Iconic brand with longstanding client relationships
- Global network of trading relationships
- Strong industry fundamentals through proximity to burgeoning Asian middle class
- Clear and tangible business growth opportunities
- High quality and dedicated staff
- Strong connections and clear synergies across business divisions
- Significant market shares in key segments



Futuris Automotive key marketing themes

- Leading global innovator and solutions provider
- Strong growth opportunities
- Excellent manufacturing and production capability
- Major global OEM customer base
- Highly credentialed management
- Attractive financial performance
- Attractive market sector and Asian growth dynamic
- Diversification into non-auto markets to leverage existing capabilities



Progress on Forestry asset divestment

Assets sold	Ongoing divestments
<p>Net proceeds of \$101.4m during FY12 from sale of:</p> <ul style="list-style-type: none"> • 12,400ha of freehold land, 34,000ha of plantations and the Albany Woodchip Terminal • 23,100ha of surplus land in Central and North Queensland <p>Unconditional contract on Smartfibre which is expected to release \$3m in December 2012.</p>	<p>Sandalwood estate: Negotiations well advanced for the sale of 2,100ha of standing timber and 1,400ha of land subject to grower vote and regulatory approvals</p> <p>APT Trees: Negotiations well advanced for the sale of 31,700 ha of standing timber subject to grower vote and regulatory approvals</p> <p>Teak: Agreement for the sale of 1,600ha of freehold land. Conditional on the restructure of relevant Managed Investment Schemes</p> <p>Central Queensland land: 150ha. Sales imminent</p> <p>North Queensland land: 850ha. Sales imminent</p> <p>Esperance estate: 10,900ha of freehold land, 46,500ha of standing timber under management. Outcome still to be determined</p> <p>Immature pulpwood: 7,400ha of standing timber under management. Outcome still to be determined</p> <p>ALT: Outcome still to be determined</p>

Summary

- Business continues to improve in challenging market conditions including high AUD
- Interest in Elders Rural Services, combined with Futuris Automotive sale process and Forestry divestment creates opportunity to accelerate returns to stakeholders
- A disciplined sales process will maximise value
- Sale process update:
 - Elders Rural Services: Greenhill, Minter Ellison and Ernst & Young appointed as advisors. Significant inbound interest. Early stages of preparation of information memorandum, vendor due diligence and bidder qualification documentation. IM to be sent pre-Christmas. Too early to determine final sale structure
 - Futuris Automotive: IM sent to qualified bidders who have signed NDA. Indicative bids due 6 December
 - Forestry: Divestment program continues with outcome from divestment of final assets to be determined in the near future
- Financier support ongoing

