17 November 2014

Replacement 2014 Full Year Financial Results Presentation

Attached is a replacement Elders' (ASX: ELD) 2014 Full Year Financial Results Presentation. This replacement presentation includes a footnote on slide 14 omitted in error from the original.

This replaces and supersedes the presentation released by Elders earlier today.

Peter Hastings
Company Secretary



FY14 RESULTS

Results for the 12 months to 30 September 2014

Monday, 17 November 2014

Elders

175 YEARS

FY14 priorities

Safety Performance

- ✓ Lost time injuries from 33 to 20
- ✓ Target is to be LTI free

Operational Performance

- ✓ $77.3m underlying profit turnaround
- ✓ All segments have lifted earnings contribution
- ✓ Eight Point Plan developed and being implemented
- ✓ EBIT margin lifted to 2% from -3%
- ✓ ROC at 12% up from -10%

Leadership Renewal

- ✓ Board renewal with two new NEDs and new Chair
- ✓ Experienced agribusiness CEO appointed with track record of delivering value
- ✓ Executive Committee established to align structure with strategy
- ✓ Ongoing investment in leadership renewal and development

Capital Management

- ✓ ROC improved in line with renewed focus
- ✓ Average working capital reduced 27% from FY13
- ✓ Capital raising completed in October 2014 to eliminate term debt
- ✓ Refinance completed in October 2014 with appropriate working capital facilities for seasonal and live export demand

FY14 results overview

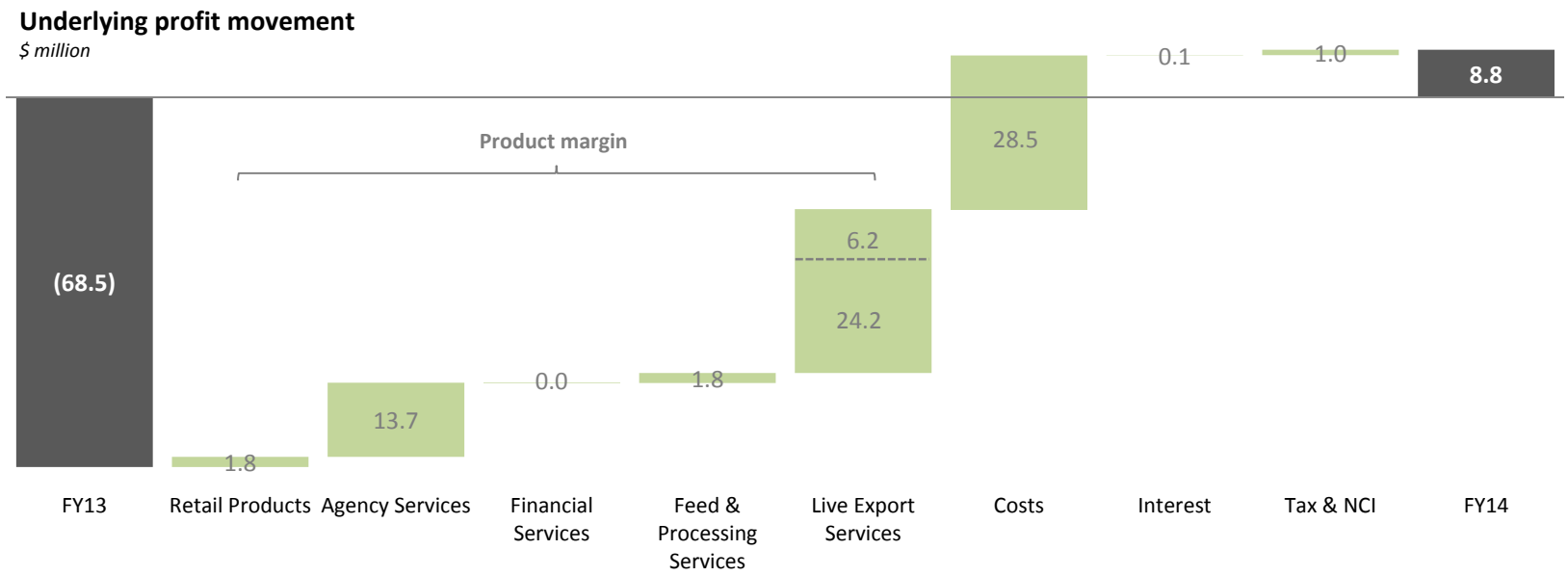
- Statutory net profit after tax of $3.0m up from $(505.3)m
- Underlying net profit after tax of $8.8m up from $(68.5)m
- Uplift across all product and geographic segments
- Divestment of non-core assets complete
- Net debt reduced to $137.6m; down from $255.2m last year
- $57m equity raising undertaken
- New flexible banking facilities with support of three core financiers
- First clean audit report since 30 September 2011
- Eight Point Plan launched with structured implementation

Key financial indicators

$ million	2014		2013	Change from 2013
Sales revenue	1,431.5	↑	1,422.1	+ 9.4
Underlying EBIT	27.3	↑	(48.9)	+ 76.2
Underlying profit / (loss) after tax	8.8	↑	(68.5)	+ 77.3
Reported profit / (loss) after tax	3.0	↑	(505.3)	+ 508.3
Net debt	(137.6)	↓	(255.2)	- 117.6
Term debt	(34.1)	↓	(143.8)	- 109.7
Reported net financing costs	(23.2)	↓	(33.2)	- 10.0
Operating cash flow	15.1	↑	(81.6)	+ 96.7
Return on capital	11.7%	↑	(9.5)%	+ 21.2%

Underlying profit by product

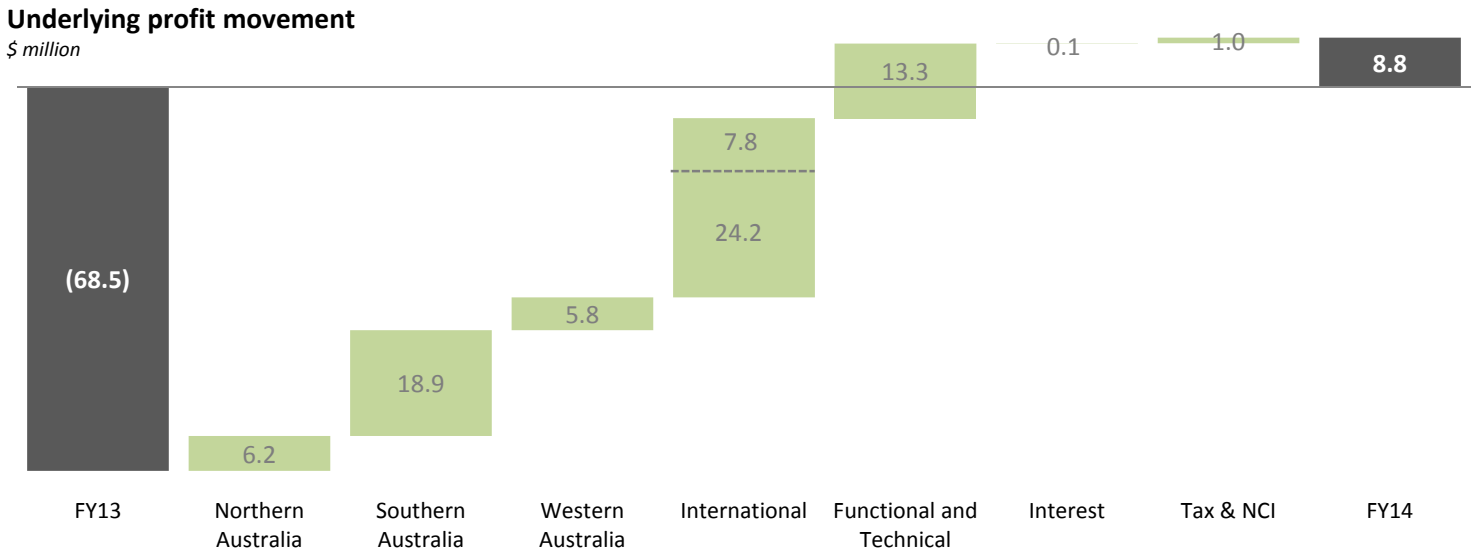
Profit uplift across all products



- Strong Agency margin contribution from Livestock and Real Estate
- Solid performance from Live Export notwithstanding $24.2m FY13 balance sheet adjustment
- Successful cost reduction program

Underlying profit by geography

Improvement in all geographic segments



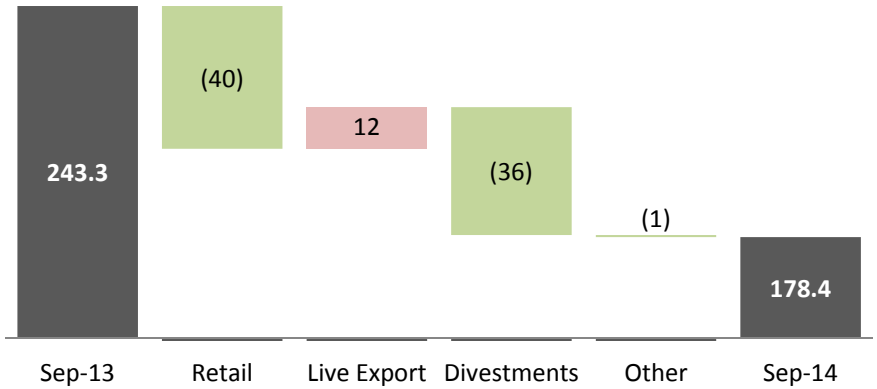
- All Australian geographical segments responded to Retail, Agency, Financial Services strategies and cost reduction initiatives
- Cost saving benefits evident throughout business
- International segment net uplift $7.8m

Working capital

Improvement in working capital efficiency

Working capital movement

$ million



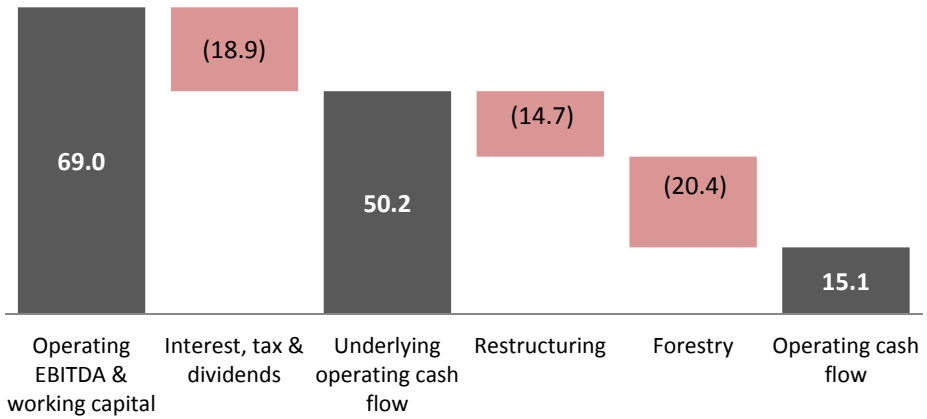
	Sep-13	**Sep-14**
Inventory	116.3	**84.8**
Livestock	36.7	**41.1**
Trade and other receivables	345.4	**302.1**
Trade and other payables	(255.1)	**(249.6)**
Total working capital	243.3	**178.4**

- Reduced Retail debtors and inventory
- Restock of Live Export business
- Completion of divestment of non-core assets
- Expect higher working capital in FY15 with seasonal improvements
- Delivered on capital management program

Cash flow

Strong cash flow generation from core business

Operating cash flow
$ million

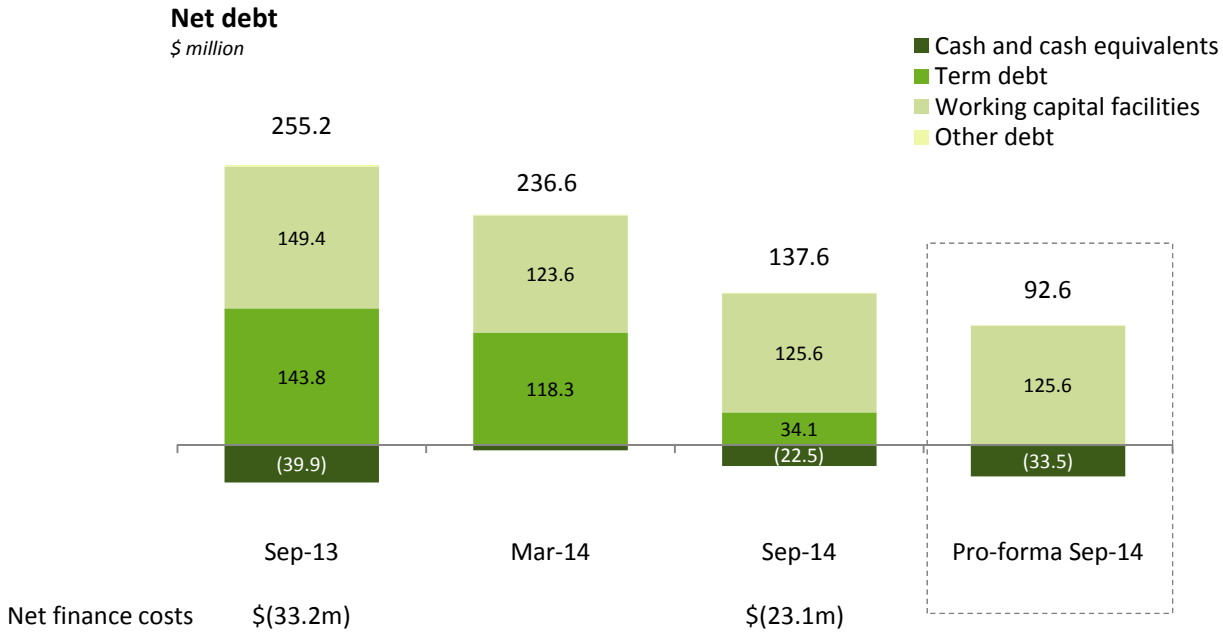


- Improved cash flow generation through increased profitability and working capital management
- "Non-recurring" outflows relating to:
  - FY13 restructuring and residual Auto divestment payments
  - Forestry exit
- Opportunity for future cash flow generation to be invested into growing the business

$ million	Retail Products	Agency Services	Financial Services	Feed & Process	Live Export	Other	**Total**
EBITDA adjusted	22.5	20.5	9.9	5.4	5.1	(32.4)	**31.0**
Working capital	40.1	4.3	(0.3)	7.1	(11.7)	(1.5)	**38.0**
Operating EBITDA & working capital cash flow	62.6	24.8	9.6	12.5	(6.6)	(33.9)	**69.0**

Debt position

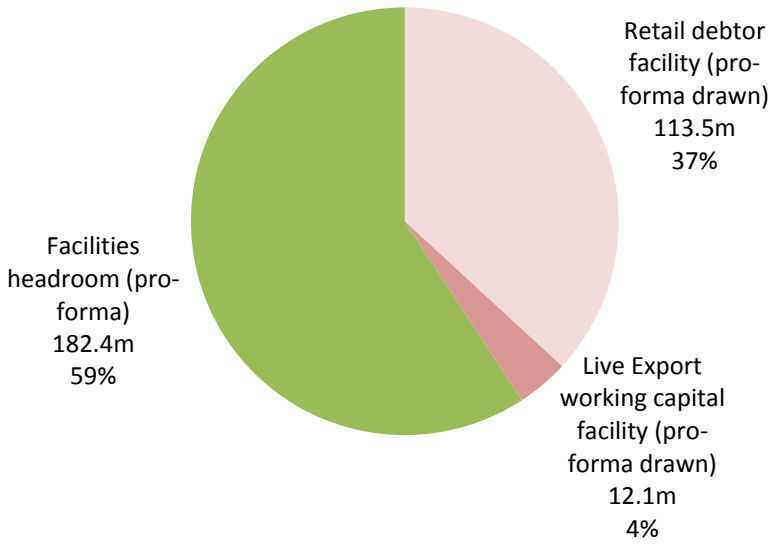
Successful reduction of debt



- Net debt almost halved
- Term debt down 76% from repayments with divestment proceeds
- Working capital facilities down with seasonally lower debtors
- Net finance costs reduced 30%
- Pro-forma net debt $92.6m, term debt paid down to zero

Post recapitalisation and refinance

Balance sheet reset and platform for growth created



- Recapitalisation and refinance completed in October 2014
- Zero term debt
- Working capital facilities of $308m, pro-forma drawn to $126m with headroom of $182m
- New debt facilities flexible to cater for seasonal changes and to support implementation of Eight Point Plan

Business model

Retail Products



- Farm Supplies
- Fertiliser

- $888m retail sales
- 685k tonnes fertiliser

Agency Services



- Livestock
- Wool
- Grain
- Real Estate

- 9.6m head sheep
- 1.7m head cattle
- 352k wool bales
- 1.2m grain tonnes
- $1.4b real estate sales

Financial Services



- Banking
- Insurance

- $2.9b loan book
- $1.5b deposit book
- $580m gross written premium

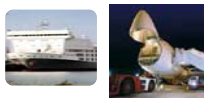
Feed & Processing Services



- Killara Feedlot
- Elders Indonesia
- Elders China

Killara	47k head
Indonesia	19k head
China	$11m sales

Live Export Services



- Short haul livestock
- Long haul livestock

- 144k head short haul
- 42k head long haul

Online Platforms

- Agsure
- Auctions Plus (50%)

Based on FY14 statistics, excluding discontinued operations

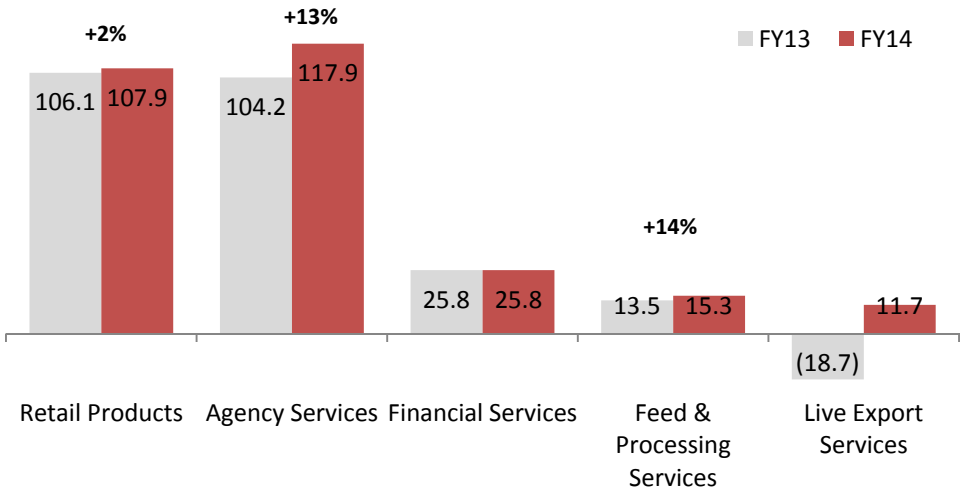
Business segmentation

$ million	Northern Australia	Southern Australia	Western Australia	International Geographies	FY14 Margin	Working Capital
Retail Products	Fertiliser and Farm Supplies				107.9	128
Agency Services	Livestock, Wool, Real Estate and Grain				117.9	20
Financial Services	Banking, Insurance and Financial Planning				25.8	-
Feed & Processing Services	Killara Feedlot			Indonesia China	15.3	31
Live Export Services				Short Haul Long Haul	11.7	22
FY14 Margin	96.5	118.8	44.6	18.7		

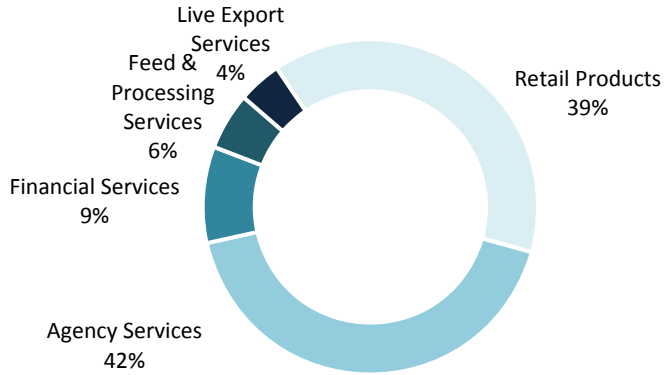
Business performance – by product

Margin growth by product

$ million



Margin generated by product

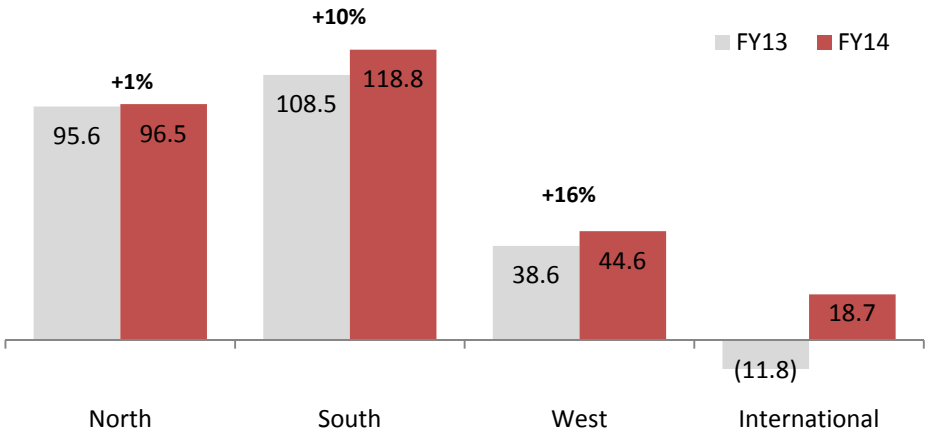


- Retail Products: Good winter break in South and West offsetting continued dry Northern conditions. Benefits also from decentralisation of retail management
- Agency Services: Strong Livestock volume and price uplift
- Financial Services: Steady pipeline of new lending
- Feed & Processing: Increased feedlot utilisation and margins
- Live Export: Strong demand from short and long haul destinations

Business performance – by geography

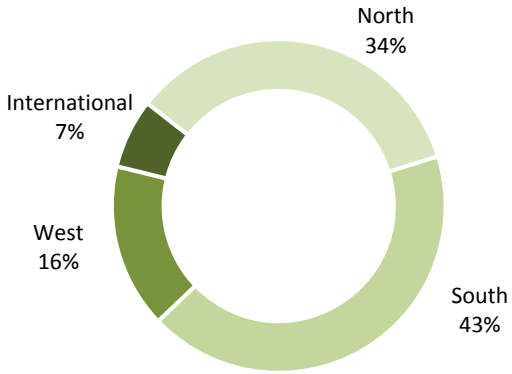
Margin growth by geography

$ million



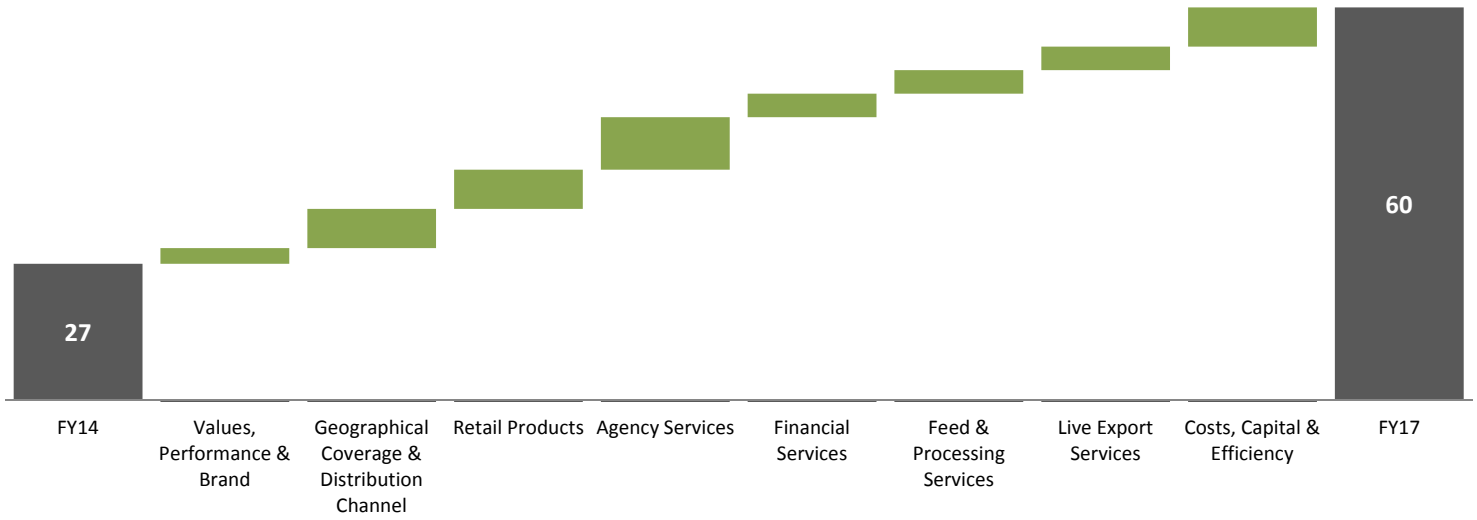
- North: Improved margin from Livestock and Killara feedlot despite tough Retail conditions
- South: Benefitted from strong Agency and Retail sales
- West: Solid performance from all products
- International: Strong demand from Indonesia and China

Margin generated by geography



Eight Point Plan – step by step

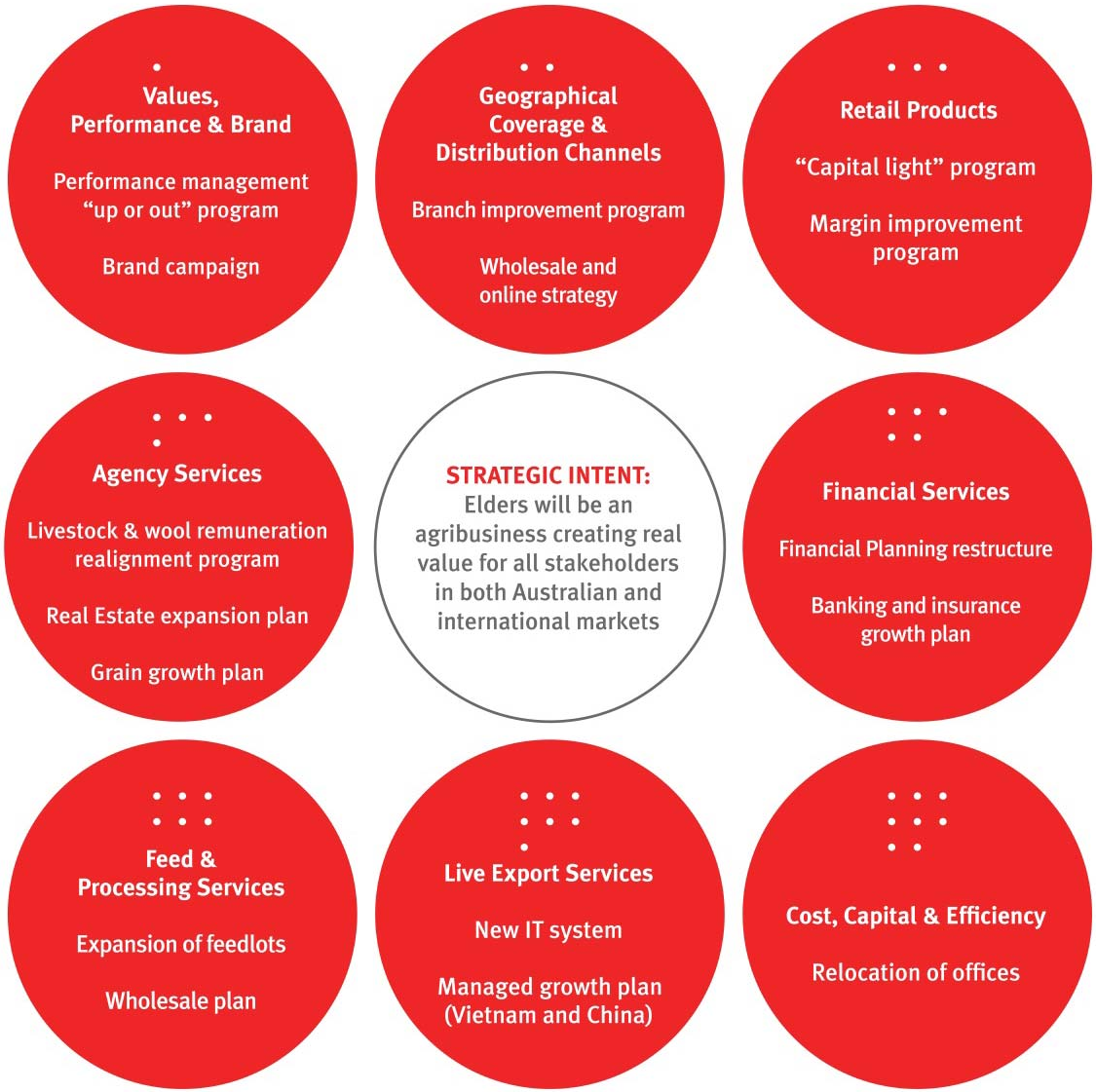
Underlying EBIT opportunities
$ million



- Three year strategic plan
- Initiatives identified; various stages of due diligence and implementation
- Steady, incremental growth in EBIT from all products and geographic areas
- FY15 Annual Operating Plan (AOP) in place

Information on this page should be read in conjunction with the disclaimer to future performance and key risk factors in the Capital Raising Presentation dated 15 September 2014.

Eight Point Plan early progress



Outlook

Retail Products

- Dry spring and summer conditions for most of Australia
- Assume average winter cropping season

Agency Services

- Upward pressure on cattle prices with tightening supply and robust global demand
- Increase in sheep flock to support export demand
- Positive real estate activity driven by local and foreign investment
- Wool volumes easing driven by weaker pricing and the continuation of high slaughter rates

Financial Services

- Uplift in banking and development of long term strategic agendas with joint venture businesses

Feed and Processing Services

- Feedlot well utilised and growing demand for beef in Indonesia and China

Live Export Services

- Strong demand for live cattle and sheep from Indonesia, Vietnam and China

Cost and Capital

- Normalising Retail working capital

FY15 priorities

Safety Performance

- Continued emphasis on safety
- Implement employee safety engagement plan
- Target is to be LTI free

Operational Performance

- Increase underlying EBIT
- Improve ROC
- Implement remuneration for agency employees that drives performance
- Margin management program for selected and non price sensitive retail products
- Develop capital light business model for farm supplies and fertiliser
- Ongoing emphasis on cost control
- FY15 AOP implementation

Key Relationships

- Create a values, safety and performance based culture
- Maintain high levels of employee effectiveness and enablement
- Build mutually beneficial relationships with key stakeholders

Efficiency and Growth

- Implement comprehensive branch benchmarking program
- Investigate expansion of online platforms
- Implement growth strategies for agency businesses
- Supplier rationalisation for farm suppliers and fertiliser
- Explore opportunities to expand and establish domestic and international red meat supply chains


Elders
175
YEARS