Elders Limited

ACN 004 336 636

Offer Document

Fully underwritten traditional non-renounceable entitlement offer to acquire 3 new shares for every 5 existing shares at A$0.15 per new share to raise approximately A$47 million

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The Entitlement Offer opens on 24 September 2014 and closes at 5pm (Sydney time) on 7 October 2014 (unless extended)

This Offer Document is an important document and requires your immediate attention. It should be read in its entirety before you decide whether to participate in the Entitlement Offer. If you have any questions about any part of the Offer Document you should consult your professional adviser. This Offer Document is not for release or distribution in the United States.

Elders Limited ACN 004 336 636

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Important information

The information in this Offer Document is not a prospectus, product disclosure statement, disclosure document or other offering document under the Corporations Act (or any other law) and has not been lodged with ASIC.

This Offer Document may not be released or distributed in the United States and does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, a person in the United States. The New Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly it may not be offered or sold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws. The New Shares are not being offered or sold to the public within New Zealand other than to existing shareholders with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand)*.

This Offer Document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Securities Act 1978 (New Zealand)*. This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

This Offer Document may contain certain *forward looking statements*. The words *anticipate, believe, expect, project, forecast, estimate, likely, intend, should, could, may, target, plan, consider, foresee, aim, will* and other similar expressions are intended to identify forward looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward looking statements. Such forward looking statements are provided as a general guide only and are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Company and which are based on change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

This Offer Document is not financial product or investment advice nor a recommendation to acquire New Shares and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal, taxation and financial advice appropriate to their jurisdiction and circumstances. A cooling off period does not apply to the acquisition of New Shares under this Offer Document.

The Company is not licensed to provide financial product advice in respect of New Shares.

An investment in New Shares is subject to investment and other known and unknown risks, uncertainties and assumptions, many of which are beyond the control of the Company and the Board, including the risks described in the accompanying Investor Presentation, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward looking statements in this Offer Document. None of the Company its officers, employees, agents, associates and advisers or any other person warrants or guarantees the future performance of the New Shares or any particular rate of return or the performance of the Company, nor does it guarantee the repayment of capital from the Company or any particular tax treatment. In considering an investment in New Shares, investors should have regard to (among other things) the risks and disclaimers outlined in this Offer Document.

Past performance information given in this Offer Document is provided for illustrative purposes only and should not be relied on as (and is not) an indication of future performance. The historical information in this Offer Document is, or is based on, information that has been released to the market. For further information, please see past announcements released to ASX.

Key offer terms

Key offer terms	
Issue Price	A$0.15 per New Share payable in full on Application
Entitlement	3 New Shares for every 5 Existing Shares held on the Record Date
Top Up Offer	A facility under which Eligible Shareholders may apply for additional New Shares in excess of their Entitlement
Offer price discounts	28.6% to last closing price on 10 September 2014 28.0% to 1 month VWAP 17.9% to TERP
Approximate number of New Shares to be issued under the Entitlement Offer	313,959,197 New Shares
Amount to be raised under the Entitlement Offer (excluding expenses)	Approximately A$47 million
Approximate number of Shares following the Entitlement Offer	837,224,525 Shares

This Offer Document is dated 15 September 2014. The following are key indicative dates relating to the Entitlement Offer.

Event	Time
ASX announcement of the Entitlement Offer, lodgement of Offer Document, Appendix 3B and cleansing notices	15 September 2014
Ex Date – date on which Shares commence trading without an entitlement to participate in the Entitlement Offer	17 September 2014
Record Date (7.00 pm Sydney time) for entitlement to participate in Entitlement Offer	19 September 2014
This Offer Document and Entitlement and Acceptance Forms dispatched to Eligible Shareholders and dispatch announced to ASX	24 September 2014*
Opening Date for the Entitlement Offer	24 September 2014*

Closing Date for lodgement of Entitlement and Acceptance Forms and payment	5pm on 7 October 2014*
Deferred settlement trading commences	8 October 2014*
ASX notified of under subscriptions	10 October 2014*
Allotment of New Shares under the Entitlement Offer	14 October 2014*
New Shares commence normal trading on ASX	15 October 2014*
Dispatch of holding statements for New Shares	17 October 2014*

The dates marked with an asterisk (*) are indicative only and are subject to change. The Company reserves the right to amend this indicative timetable at any time and in particular, subject to the Corporations Act and ASX Listing Rules, to extend the latest date for receipt of Application and Entitlement Forms, to accept late Application and Entitlement Forms either generally or in particular cases, or to cancel the Entitlement Offer without prior notice.

Chairman's letter

15 September 2014

Dear Eligible Shareholder

On behalf of the directors of Elders Limited ACN 004 335 636 (**Elders** or **Company**), I am pleased to invite you to participate in a fully underwritten traditional non-renounceable entitlement offer to subscribe for 3 new shares for every 5 existing shares at an issue price of A$0.15 per new share (**Entitlement Offer**).

You may also apply for additional New Shares in excess of your Entitlement as set out in section 1.3 of this Offer Document (**Top Up Offer**). The Top Up Offer is an opportunity for smaller Shareholders to take positive action and increase their shareholding ahead of a likely non-marketable parcel share sale facility to be conducted in the coming months in accordance with the Company's constitution.

The record date for the Entitlement Offer is 7pm (Sydney time) on 19 September 2014.

The issue price of A$0.15 per new share represents a 28.6% discount to the closing price of Elders' shares (**Shares**) on ASX on 10 September 2014, which was the last day Shares traded on the ASX before the announcement of the Entitlement Offer, a 28.0% discount to the 1 month VWAP to the closing price of the Shares on ASX on 10 September 2014 and a 17.9% discount to the theoretical ex rights price.[1]

The Entitlement Offer will raise approximately A$47.0 million. New Shares issued under the Entitlement Offer will rank equally with existing Shares. All Board members will be accepting the Entitlement Offer in respect of their own entitlements and entitlements of their associated entities.

The funds will be used to reduce the amount of the Company's senior debt and to provide working capital.

The closing date for the receipt of Application and Entitlement Forms and application money for the Entitlement Offer is 5pm (Sydney time) on 7 October 2014. If you decide to take this opportunity to increase your investment in the Company please ensure that, before this time, your completed Application and Entitlement Form and your application money are received by the share registry, or you have paid your application money by BPAY® in accordance with the instructions set out in the enclosed Application and Entitlement Form and Required Actions section of this Offer Document.

If you do not wish to take up any of your entitlement, you do not have to take any action.

For further information on Elders, I urge you to read the investor presentation included in this Offer Document. It also contains a summary of some of the key risks associated with an investment in the Company.

Full details on the Entitlement Offer are set out in this Offer Document, which you should read carefully and in its entirety. Additionally, you can call our share registry on 1 300 619 376 (within Australia) and + 61 3 9415 4283 (outside Australia) between 8.30am and 5.30pm (Sydney time) Monday to Friday.

On behalf of the Board, I thank you for your continued support as a shareholder and I commend the Entitlement Offer to you.

Yours sincerely

[1] The theoretical ex-rights price (**TERP**) is the theoretical price at which Shares should trade immediately after the ex date for the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which Shares trade immediately after the ex date for the Entitlement Offer will depend on many factors and may not be equal to the TERP.



Hutch Ranck
Chairman

Entitlement Offer

1. Details of the Entitlement Offer

1.1 The Entitlement Offer

Each Eligible Shareholder is entitled to subscribe for 3 New Shares for every 5 Existing Shares held on the Record Date.

The Entitlement Offer is non-renounceable. This means that Shareholders who do not take up their Entitlements by the Closing Date of 7 October 2014, will not receive any payment or value for those Entitlements and their proportionate equity interest in the Company will be diluted.

The number of New Shares to which you are entitled is shown on the accompanying Application and Entitlement Form. Fractional entitlements to New Shares have been rounded up to the nearest whole number of New Shares. If you have more than one registered holding of Shares, you will be sent more than one personalised Application and Entitlement Form and you will have separate Entitlements for each separate holding.

New Shares issued under the Entitlement Offer will be fully paid and rank equally with existing Shares then on issue, including in respect of entitlement to dividends. If you take no action you will not be allocated any New Shares and your Entitlement will lapse.

To qualify for the Entitlement Offer under this Offer Document, a Shareholder must:

(a) be registered as a Shareholder at 7pm (Sydney time) on the Record Date;

(a) have an address in Australia or New Zealand as recorded on the Company's share register as at the Record Date;

(b) not be in the United States and not be acting for the account or benefit of a person in the United States; and

(c) be eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus, disclosure document, or any lodgement, filing, registration or qualification,

(**Eligible Shareholder**).

1.2 Purpose of the Entitlement Offer

The proceeds of the Entitlement Offer will be used to reduce the amount of the Company's senior debt and to provide working capital.

1.3 Top Up Offer

Eligible Shareholders are also able to participate in a further discretionary offer of New Shares, being the New Shares that have been initially offered to Eligible Shareholders under the Entitlement Offer and have not been taken up by them (**Top Up Offer**). New Shares which would have been offered to persons outside Australia or New Zealand but have been excluded from the Offer are not included in the Top Up Offer.

In addition:

(a) the Top Up Offer is only made to Eligible Shareholders who have fully taken up their Entitlements;

(b) there is no guarantee that any application in the Top Up Offer will be successful and the Directors reserve the right to issue any shortfall by way of the Top Up Offer or by other

means and reserve the right to satisfy applications in the Top Up Offer at their sole and complete discretion. Applications under the Top Up offer may be scaled back;

(c) the Top Up Offer has the same Closing Date;

(d) the issue price of New Shares under the Top Up Offer is the Issue Price; and

(e) the Company will not issue New Shares under the Top Up Offer where to do so would result in a breach of its constitution, the Corporations Act or the ASX Listing Rules.

Eligible Shareholders who are unsuccessful in the Top Up Offer or whose applications are only part accepted will have their excess Application Monies (without interest) returned as soon as practicable after the Closing Date.

1.4 Underwriting

The Offer is fully underwritten by Morgans Corporate Limited and Bell Potter Securities Limited. Please refer to Section 4 of this Offer Document for further details.

1.5 Issue of New Shares

New Shares under the Entitlement Offer are expected to be issued on or around 14 October 2014 (subject to change at the discretion of the Company).

The Company reserves the right (in its absolute discretion) to reduce the number of New Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claims prove to be overstated or otherwise incorrect or if they fail to provide information to substantiate their claims.

1.6 ASX quotation

Application for official quotation of New Shares issued under this Offer Document has been made or will be made to the ASX within seven days after the date of this Offer Document. If permission for quotation is not granted by ASX, the New Shares will not be issued and Application Money will be refunded (without interest) as soon as practicable.

1.7 Application Money

Until New Shares are issued, the Company will hold Application Money received in a bank account in Australia. The account will be kept solely for the purpose of depositing Application Money.

Any interest accrued on Application Money will be retained by the Company and will not be paid to the relevant Eligible Shareholder, including if the Entitlement Offer is cancelled or withdrawn.

1.8 Market prices for Shares on ASX

The lowest and highest market prices of Shares on ASX during the 3 months immediately preceding the date of this Offer Document were A$0.135 and A$0.27 respectively.

The issue price of A$0.15 per New Share represents a 28.6% discount to the closing price of the Company's Shares on ASX on 10 September 2014, which was the last day Shares traded on the ASX before the announcement of the Entitlement Offer, a 28% discount to the 1 month VWAP to the closing price of the Shares on ASX on 10 September 2014 and a 17.9% discount to TERP, the theoretical ex rights price.

1.9 Foreign Shareholders

The New Shares being offered under this Offer Document are being offered to Shareholders with registered addresses in Australia or New Zealand as recorded on the Company's share register at the Record Date.

The Entitlement Offer will not be offered to Non Eligible Foreign Shareholders. The Company has determined that it is not economically viable for it to make offers to Non Eligible Foreign Shareholders due to the cost of meeting compliance requirements with securities laws in each applicable jurisdiction in which Non Eligible Foreign Shareholders reside. The Company reserves the right in its absolute discretion to offer the Entitlement Offer to a Shareholder with an address in the Company's share register outside Australia or New Zealand if the Company is satisfied that it is not precluded from lawfully issuing New Shares to that Shareholder either unconditionally or after compliance with conditions which the Directors in their sole discretion regard as acceptable.

This Offer Document does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register the New Shares or otherwise permit an offering of New Shares in any jurisdiction outside of Australia or New Zealand.

The distribution of this Offer Document outside Australia or New Zealand may be restricted by law. If you come into possession of this Offer Document, you should observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities laws. See the *International offer restrictions* section of the Investor Presentation that is included in this Offer Document.

1.10 Taxation implications

Shareholders should be aware that there may be taxation implications of participating in the Entitlement Offer and subscribing for New Shares. The taxation consequences of participating in the Entitlement Offer and/or acquiring New Shares may vary depending on the individual circumstances of each Shareholder.

Please refer to Section 3 of this Offer Document for a general discussion of the Australian tax consequences of the Entitlement Offer for Eligible Shareholders resident in Australia and who hold their Shares as capital assets.

Shareholders should consult their own professional taxation advisers to obtain advice in relation to the taxation laws and regulations applicable to their personal circumstances.

1.11 Risks

There are a number of risks associated with an investment in the Company which may affect its financial performance, financial position, cash flows and Share price. The key risk factors are set out in the *Key Risk Factors* section of the Investor Presentation.

1.12 Regular reporting and disclosure

The Company is a disclosing entity for the purposes of the Corporations Act and is therefore subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the market. In particular, the Company has an obligation (subject to certain limited exceptions) to notify ASX once it is, or becomes, aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Company's securities. All announcements made by the Company are available from the Company's website www.elderslimited.com or ASX's website www.asx.com.au.

Additionally the Company is also required to prepare and lodge with ASIC yearly and half yearly financial statements accompanied by a directors' statement and report and an audit review or report. These reports are released to ASX and published on the Company and ASX websites.

1.13 Rights and liabilities attaching to New Shares

New Shares issued under this Offer Document will be fully paid ordinary shares in the capital of the Company and will rank equally with all Existing Shares, including for any dividend paid after the date of issue of the New Shares.

The rights and liabilities attaching to Shares are set out in the Company's constitution and are regulated by the Corporations Act, the general law, the ASX Listing Rules and the ASX Settlement Rules. The constitution may only be varied by a special resolution passed by at least 75% of Shareholders present (and entitled to vote).

Please note the priority that holders of Elders' hybrids have in relation to dividends and on a winding up as summarised in the Investor Presentation.

1.14 Disclaimer

No person is authorised to give any information or make any representation in connection with the Entitlement Offer described in this Offer Document, which is not contained in this Offer Document. Any information or representation not contained in this Offer Document may not be relied on as being authorised by the Company in connection with the Entitlement Offer.

1.15 Financial amounts

Money as expressed in this Offer Document is in Australian dollars ($ or A$) unless otherwise indicated. Any discrepancies between totals in tables and sums of components in tables in this Offer Document and between those figures and figures referred to in other parts of this document may be due to rounding.

1.16 Privacy

Chapter 2C of the Corporations Act requires information about you as a Shareholder (including your name, address and details of your Shares) to be included in the public register of the Company. Information is collected to administer your Shares. Your personal information may be disclosed to the Company. You can obtain access to your personal information by contacting the Share Registry at the address or telephone number listed in the corporate directory.

1.17 Governing Law

This Offer Document, the Entitlement Offer and the contracts formed on acceptance of the Application and Entitlement Forms are governed by the laws applicable in South Australia. Each applicant for New Shares submits to the non exclusive jurisdiction of the courts of South Australia.

1.18 Broker Handling Fee

A handling fee of 1.5% of the application amount (plus GST) of New Shares (subject to a maximum handling fee of $250 (**Broker Handling Fee**) under the Entitlement Offer will be paid by the Underwriter to stockbrokers (being those entities being recognised as full service brokers or non-advisory brokers by ASX) who submit a valid claim for a Broker Handling Fee on successful Applications.

2. Required Actions

2.1 Eligible Shareholders – Australia and New Zealand

If you are an Eligible Shareholder you may either:

- take up all or part of your Entitlement in accordance with this Offer Document;
- take up all of your Entitlement and apply for additional New Shares under the Top Up Offer in excess of your Entitlement; or
- decline to exercise any or all of your Entitlement.

If you are an Eligible Shareholder and wish to take up all or part of your Entitlement:

(a) read this Offer Document in full;

(b) consider the risks associated with the Entitlement Offer, as summarised in the *Key Risk Factors* section of the Investor Presentation included in this Offer Document, in light of your personal circumstances;

(c) decide whether to participate in the Entitlement Offer; and

(d) make payment and apply for New Shares by either of the methods described immediately below.

Mail

Complete the Application and Entitlement Form accompanying this Offer Document in accordance with the instructions set out on the form. If you have not received an Application and Entitlement Form please call the Share Registry on 1 300 619 376 (within Australia) or + 61 3 9415 4283 (outside Australia); and

Return the completed Application and Entitlement Form together with payment in accordance with section 2.2 of this Offer Document, using the enclosed envelope or to the following address so that it is received by no later than 5pm (Sydney time) on the Closing Date (or such other date as may be determined by the Company):

Australia & New Zealand – By mail – postal delivery

Computershare Investor Services Pty Limited
GPO Box 2987
Adelaide SA 5001

Completed Application and Entitlement Forms and Application Money will not be accepted at the Company's registered office.

BPAY®

Make payment by BPAY® in accordance with the instructions in this Offer Document on the Application and Entitlement Form.

If you pay by BPAY® you do not need to return the Application and Entitlement Form to the Share Registry.

A reply paid envelope is enclosed for your convenience. If mailed in Australia, no postage stamp is required. If mailed from New Zealand, correct postage must be affixed. Eligible Shareholders in New Zealand should ensure that their Application and Entitlement Form and Application Money are mailed early to ensure they arrive at the postal address specified above by 5pm (Sydney time) on the Closing Date (or such other date as may be determined by the Company).

2.2 Payment

The issue price of A$0.15 per New Share is payable on the take up of your Entitlement. For all Australian and New Zealand Eligible Shareholders payments must be received by 5pm (Sydney time) on the Closing Date (or such other date as may be determined by the Company).

Shareholders should be aware of the time required to process payments by cheque and BPAY® in choosing the appropriate Application and payment method.

Payment will only be accepted in Australian currency and must be:

- by cheque, money order or bank draft drawn on an Australian financial institution, made payable to ***Elders Limited – Entitlement Offer*** and crossed ***Not Negotiable***; or
- through the BPAY® facility according to the instructions set out on the Application and Entitlement Form.

Cash will not be accepted. Receipts for payment will not be issued. If the Application Money you provide is insufficient to pay in full for the number of New Shares for which you have applied, or is more than your Entitlement, you will be taken by the Company to have applied for such whole number of New Shares which is covered in full by your Application Money. Alternatively, your Application may be rejected.

If you apply for additional New Shares in excess of your Entitlement under the Top Up Offer and you are not allocated all or some of the additional New Shares applied for, the relevant Application Money will be refunded as soon as practicable after the Closing Date (only where the amount is A$5.00 or greater). You are not entitled to any interest that accrues on any Application Money received or returned (wholly or partially).

Eligible Shareholders may pay through BPAY®

Australian Eligible Shareholders and New Zealand Eligible Shareholders with an Australian bank account may pay through BPAY®. Payment by BPAY® should be made in accordance with the instructions set out in the Application and Entitlement Form using the reference number shown on that form and must be received by no later than 5pm (Sydney time) the Closing Date (or such other date as may be determined by the Company). Applicants should be aware that their own financial institution may implement earlier cut off times with regard to electronic payment. Applicants should therefore take this into consideration when making payment. It is the responsibility of the Applicant to ensure that funds submitted through BPAY® are received by this time.

The reference number is used to identify your holding. If you have multiple holdings you will also have multiple reference numbers. You must use the reference number shown on each Application and Entitlement Form to pay for each holding separately. If you pay by BPAY® and do not pay for your full Entitlement, your remaining Entitlements will lapse.

If you make your payment by BPAY® you do not need to return the Application and Entitlement Form to the Share Registry.

Your completed Application and Entitlement Form or BPAY® acceptance, once received cannot be withdrawn.

2.3 Declining all or part of your Entitlement

If you decide not to take up all or part of your Entitlement, the New Shares representing your Entitlement may be offered to Eligible Shareholders under the Top Up Offer. If there is insufficient demand under the Top Up Offer, (after adjusting for any scale back or cap determined by Elders), the Underwriters will subscribe or procure subscriptions for those New Shares. Your Entitlement to participate in the Entitlement Offer is non-renounceable and cannot be traded on the ASX nor any other financial markets, nor can it be privately transferred. Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.

If you decide not to participate in the Entitlement Offer, you do not need to fill out or return the accompanying Application and Entitlement Form. You should note that if you do not participate in the Entitlement Offer although you will continue to own the same number of Shares, your percentage shareholding in the Company will be diluted. If you take up your full Entitlement, your percentage equity in the Company will remain the same. By applying for, and being issued

New Shares under the Top Up Offer, you may see your percentage holding in the Company increase.

2.4 Non Eligible Foreign Shareholders

If you are a Non Eligible Foreign Shareholder, other than certain institutional shareholders and investors in foreign jurisdictions determined by the Directors, you may not take up any of, or do anything in relation to, your Entitlement under the Entitlement Offer.

2.5 Warranties made on acceptance of Entitlement Offer

By completing and returning your personalised Application and Entitlement Form or making a payment by BPAY®, you will be deemed to have acknowledged, represented and warranted that you, and each person on whose account you are acting, are an Eligible Shareholder or otherwise eligible to participate.

By completing and returning your personalised Application and Entitlement Form or making a payment by BPAY®, you will also be deemed to have acknowledged, represented and warranted on your own behalf and on behalf of each person on whose account you are acting that:

(a) you are not in the United States or acting for the account or benefit of a person in the United States, and are not otherwise a person to whom it would be illegal to make an offer of or issue of New Shares under the Entitlement Offer and under any applicable laws and regulations;

(b) you will not send any materials relating to the Entitlement Offer to any person in the United States or any other country outside Australia and New Zealand, except nominees and custodians may send such materials to beneficial shareholders of the Company who are institutional or professional investors in the countries (excluding the United States) listed in, and to the extent permitted under, the *International offer restrictions* section of the Investor Presentation that is included in this Offer Document;

(c) you acknowledge that you have read and understand this Offer Document and your Application and Entitlement Form in their entirety;

(d) you agree to be bound by the terms of the Entitlement Offer, the provisions of this Offer Document and the Company's constitution;

(e) you authorise the Company to register you as the holder of New Shares issued to you;

(f) you declare that all details and statements in your Application and Entitlement Form are complete and accurate;

(g) you declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under your Application and Entitlement Form;

(h) you acknowledge that after the Company receives your Application and Entitlement Form or any payment of Application Money by BPAY®, you may not withdraw your application or funds provided except as allowed by law;

(i) you agree to apply for and be issued up to the number of New Shares specified in the Application and Entitlement Form, or for which you have submitted payment of any Application Money by BPAY®, at the Issue Price, subject to your Entitlement and terms of the Top Up Offer;

(j) you authorise the Company, the Underwriters, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry on using the contact details set out in your Application and Entitlement Form;

(k) you declare that you were the registered holder at the Record Date of the Shares indicated on your Application and Entitlement Form as being held by you on the Record Date;

(l) you acknowledge that the information contained in this Offer Document and your Application and Entitlement Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;

(m) you acknowledge that this Offer Document is not a prospectus, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;

(n) you acknowledge the statement of risks in the *Key Risk Factors* section of the Company's Investor Presentation included in this Offer Document and that investments in the Company are subject to risk;

(o) you acknowledge that none of the Company, the Underwriters, or their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of the Company, nor do they guarantee the repayment of capital;

(p) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of Shares on the Record Date;

(q) you authorise the Company to correct any errors in your Application and Entitlement Form or other form provided by you;

(r) you represent and warrant that the law of any place does not prohibit you from being given this Offer Document and your Application and Entitlement Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Entitlement Offer;

(s) if in the future you decide to sell or otherwise transfer the New Shares, you will only do so in regular transactions on the ASX or otherwise where neither you nor any person acting on your behalf know, or has reason to know, that the sale has been pre arranged with, or that the purchaser is, a person in the United States or is acting for the account or benefit of a person in the United States unless an available exemption applies; and

(t) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Application and Entitlement Form is resident in Australia or New Zealand or is an institutional or professional investor in a country (excluding the United States) listed in, and to the extent permitted under, the *International offer restrictions* section of the Investor Presentation that is included in this Offer Document.

2.6 Refunds

Any Application Money received for more than your final allocation of New Shares will be refunded as soon as practicable after the Closing Date (except for where the amount is less than A$5.00). No interest will be paid to applicants on any Application Money received or refunded.

2.7 Withdrawals

You cannot, in most circumstances, withdraw your application once it has been accepted. Cooling off rights do not apply to an investment in New Shares.

Monday, 15 September 2014

Elders announces $57 million equity raising and new banking facilities

Key points

- Successful completion of a $10.2 million placement and announcement of a fully underwritten 3 for 5 traditional non-renounceable entitlement offer of $47 million, together raising $57 million
- Proceeds from the Placement and Entitlement Offer together with recently completed asset sales will reduce Elders' term debt from $118 million at 31 March 2014 to $21 million on a proforma basis
- The new banking facilities comprise flexible working capital facilities on normalised commercial terms suited to a pure agribusiness
- A platform is now in place to support Elders' strategic intent to grow to $60 million EBIT and 20% return on capital (ROC) in FY17, as outlined in the company's 8-Point Plan
- FY14 underlying EBIT outlook is in a range of $23 million to $28 million, an improvement of up to $77 million on FY13
- In contrast to previous years, future operating cash flow can now be directed into growing the Elders business
- Offer price of $0.15 per new share represents a 28.0% discount to the 1 month VWAP of Elders shares of $0.208 and a 17.9% discount to the theoretical ex-rights price of $0.183

Entitlement Offer and completed placement

Elders Limited (**Elders**) is pleased to announce a fully underwritten $47 million 3 for 5 traditional non-renounceable entitlement offer to all eligible shareholders at $0.15 per share (**Entitlement Offer**). The Company has also completed a Placement to institutional and sophisticated investors at the same price raising $10.2 million. Placement shares will participate in the Entitlement Offer. Funds from the Placement and Entitlement Offer will be used to repay term debt.

Completion of the equity raising and recently completed asset sales will see proforma term debt as at 31 March 2014 reduce from $118 million to $21 million on a proforma basis. Following the expected receipt of proceeds from the recent sale of Elders' investment in AWH, Elders' term debt may reduce to zero. Elders' new banking facilities provide sufficient flexibility and headroom to grow the business during normal seasonal fluctuations.

The recapitalisation of Elders provides a sound platform to generate value for all stakeholders. The Board and management will now be totally focused on efficiency improvements, growth and improved ROC.

Elders Chief Executive Officer Mark Allison says "We welcome to our share register a range of local and offshore institutions."

"Elders is no longer the complex and highly geared conglomerate it once was and the recapitalisation and new banking facilities will help management optimize future performance. Elders balance sheet now provides us the funding flexibility to deliver our capital light business model and will allow us to take advantage of the tremendous opportunities in the Australian and international agricultural sector."

"The equity raising and new banking facilities will have a very significant positive impact on Elders. Unlike the past few years, all future cash flows can now be directed to improving and growing our rural services business. It will also be a tremendous boost to staff and customer confidence."

"We will no longer be distracted by a conglomerate asset structure, asset sales or debt repayments".

"Our strengthened financial position enables us to continue our turnaround and work towards our strategic target of achieving $60 million EBIT and 20% return on capital by 2017," Mr Allison said.

Elders FY14 underlying EBIT outlook is in a range of $23 million to $28 million, reflecting a turnaround of up to $77 million on the FY13 results.

"The underlying EBIT improvement in FY14 highlights the benefits of changes already underway at Elders. We look forward to delivering on the earnings potential of this 175 year old business in the years ahead."

Elders will announce its FY14 results on Monday, 17 November 2014.

Details of the Entitlement Offer

A 3 for 5 traditional non-renounceable entitlement offer of fully paid ordinary shares in Elders (**New Shares**) to raise approximately $47 million (**Entitlement Offer**).

The offer price for the Equity Raising will be $0.15 per share which represents:

- a 28.6% discount to the last traded price of Elders shares (being $0.210 on 10 September 2014);
- a 28.0% discount to the 1 month VWAP of Elders of $0.208 per share; and
- a 17.9% discount to the theoretical ex-rights price (TERP) of $0.183 per share.

Under the Entitlement Offer, eligible shareholders will be entitled to subscribe for 3 new fully paid ordinary shares in Elders for every 5 existing shares held at 7.00 pm (AEST) on Friday, 19 September 2014 (**Record Date**) at the offer price (**Entitlements**). Fractional Entitlements will be rounded up to the nearest whole number of shares.

The Entitlement Offer is jointly underwritten by Bell Potter Securities Limited and Morgans Corporate Limited.

Top up facility

The Entitlement Offer will include a top up facility under which eligible shareholders who take up their full Entitlement may apply for additional shares in the Entitlement Offer from a pool of those not taken up by other eligible shareholders. There is no guarantee that applicants under this top up facility will receive all or any of the shares they apply for under the facility.

Key dates

Event	**Date**
Announcement of the Equity Raising	15 September 2014
Ex-date	17 September 2014
Allotment of Shares issued under the Placement	18 September 2014
Record date (7.00 pm Sydney time)	19 September 2014
Entitlement Offer opens	24 September 2014
Entitlement Offer closes (5.00 pm Sydney time)	7 October 2014
Allotment of New Shares under the Entitlement Offer	14 October 2014
Securities commence trading on a normal basis	15 October 2014
Despatch of holding statements	17 October 2014

New banking facilities

Elders has obtained a credit approved commitment letter and term sheet under which three core financiers commit to provide loans and other banking facilities to Elders for the purposes of refinancing or retiring its existing senior debt financing arrangements and to finance the general corporate and working capital requirements of Elders. This remains subject to the satisfaction of standard conditions precedent, including the receipt of funds by Elders from the capital raising and the entry into of formal documentation reflecting the commitment letter and term sheet. Key features include:

- New syndicated working capital facilities with 3 core financiers.
- Working capital facilities will have tenure of between 12 and 36 months and limits structured to adequately meet anticipated requirements.
- New structure does not include any term debt facilities.
- No mandated asset disposals or associated amortisation events.
- Financial covenants appropriately structured for a facility of this nature with adequate headroom to cater for seasonal volatility.

The equity raising presentation lodged with the ASX today sets out further details in relation to the new banking facilities.

More information

The Entitlements will be non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up their Entitlements will not receive any value for those Entitlements that they do not take up. Shareholders who are not eligible to receive Entitlements will not receive any value for the Entitlements they would have received had they been eligible.

New Shares issued under the Equity Raising will rank equally with then existing shares.

Elders will notify shareholders as to whether they are eligible to participate in the Entitlement Offer.

Eligible shareholders will receive an Offer Document including a personalised application and entitlement form which will provide further details of how to participate in the Entitlement Offer. Elders will also notify each holder of options about the Entitlement Offer.

A presentation on the equity raising has been lodged with the ASX and is able to be downloaded from ASX's website, www.asx.com.au.

Further comment: Mark Allison, Managing Director and Chief Executive Officer, 0439 030 905
Media queries: Amy McDonald, Senior Communications Adviser, 0417 841 092

Investor Presentation









A Platform to Generate Real Value

Capital Raising Presentation

15 September 2014

Elders

175 YEARS

Disclaimer

This presentation (**Presentation**) has been prepared by Elders Limited ACN 004 336 636 (**Elders**).

Summary information

This Presentation contains summary information about Elders and its activities current as at 15 September 2014 . The information in this Presentation does not purport to be complete or comprehensive, and does not purport to summarise all information that an investor should consider when making an investment decision. It should be read in conjunction with Elders' other periodic and continuous disclosure announcements lodged with ASX Limited, which are available at www.asx.com.au.

Not financial product advice

This Presentation does not constitute financial advice or a recommendation to acquire Elders shares and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek such legal, financial and/or taxation advice as they deem necessary or appropriate to their jurisdiction. Elders does not have a licence to provide financial product advice in respect of Elders shares. Cooling off rights do not apply to the acquisition of Elders shares.

Financial data

All dollar values are in Australian dollars (**A$**). Any pro forma historical financial information included in this Presentation does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the US Securities and Exchange Commission. This Presentation contains certain financial data that is non-GAAP financial measures under Regulation G under the US Securities Exchange Act of 1934, including EBIT (earnings before interest and taxes) and EBITDA (earnings before interest, taxes, depreciation and amortisation). These measures are not measures of or defined terms of financial performance, liquidity or value under AIFRS or US GAAP. Moreover, certain of these measures may not be comparable to similarly titled measures of other companies.

Underlying profit measures included in the presentation have been calculated in accordance with the FINSIA/AICD principles for the reporting of underlying profit. Underlying profit is non-IFRS financial information and is not subject to review or audit by the external auditors, but is derived from the financial statements by removing the impact of discontinued operations and items not related to ongoing operating performance.

Future performance

This Presentation contains certain forward looking statements. The words *anticipated, expected, projections, forecast, estimates, could, may, target, consider* and *will* and other similar expressions are intended to identify forward looking statements. Forward looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements including projections, indications or guidance on future earnings or financial position and estimates are provided as a general guide only and should not be relied on as an indication or guarantee of future performance. There can be no assurance that actual outcomes will not differ materially from these statements. To the full extent permitted by law, Elders and its directors, officers, employees, advisers, agents and intermediaries disclaim any obligation or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions. An investment in Elders shares is subject to investment and other known and unknown risks, some of which are beyond the control of Elders. Please see the Key Risks section of this Presentation for further details. Elders does not guarantee the performance of Elders.

Past performance

Any past performance information given in this Presentation is given for illustrative purposes only and should not be relied on as (and is not) an indication of future performance.

Key Risk factors

Please see slides titled “Key Risk Factors” for a summary of the key risks associated with an investment in Elders.

Not an offer

This Presentation is not an offer or an invitation to acquire Elders shares or any other financial products and is not a prospectus, product disclosure statement or other offering document under Australian law or any other law. It is for information purposes only.

Disclaimer

International Offer Restrictions

This document does not constitute an offer of new fully paid ordinary shares (**New Shares**) of Elders in any jurisdiction in which it would be unlawful. New Shares may not be offered or sold in any country outside Australia or New Zealand except to the extent permitted below

Hong Kong

This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (**Companies Ordinance**), nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (**SFO**).

No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares may intend to nor sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

United Kingdom

Neither the information in this document nor any other document relating to the Offer has been delivered for approval to the Financial Services Authority in the United Kingdom and no document (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the New Shares. This document is issued on a confidential basis to qualified investors (within the meaning of section 86(7) of FSMA) in the United Kingdom, and New Shares may not be offered or sold in the United Kingdom by means of this Investor Presentation, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) received in connection with the issue or sale of New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of FSMA does not apply to the Company.

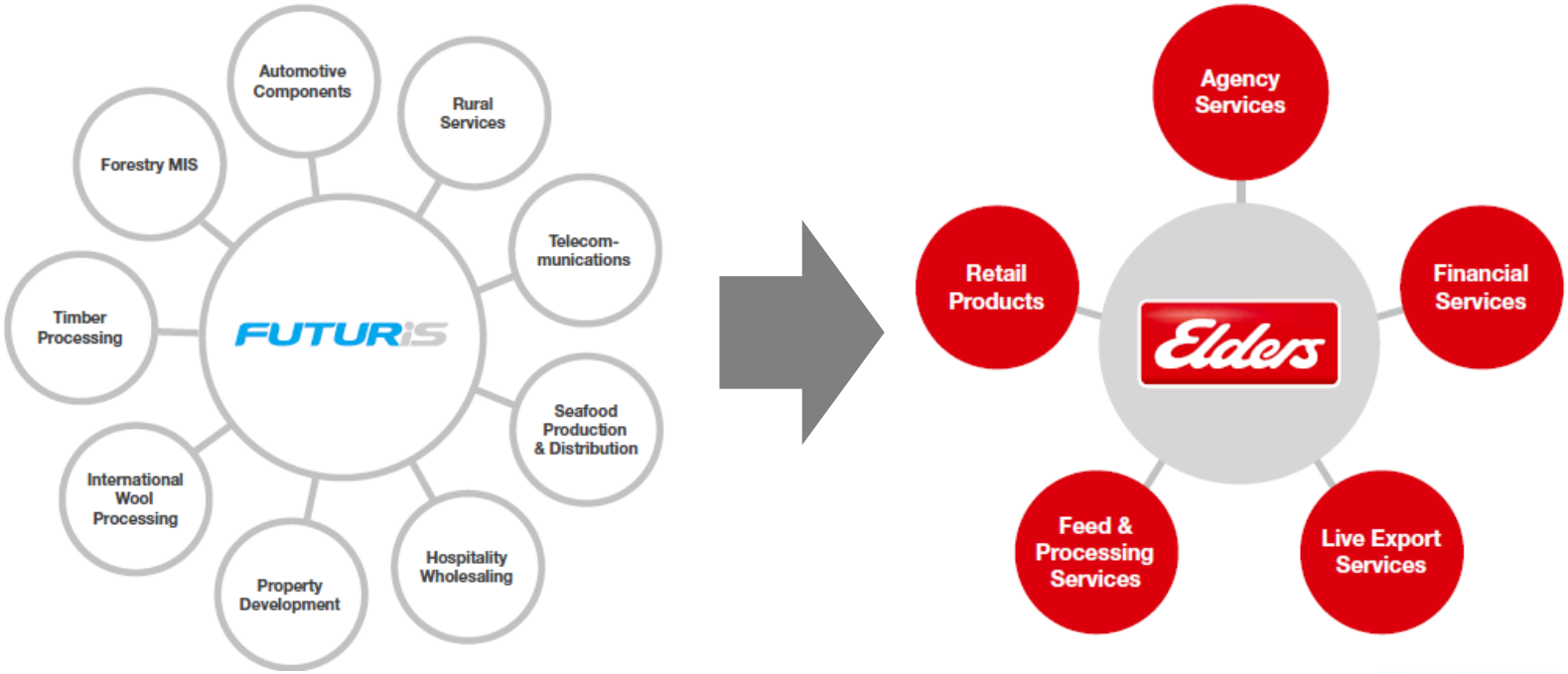
In the United Kingdom, this document is being distributed only to, and is directed at, persons (a) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (b) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc) of the FPO or (c) to whom it may otherwise be lawfully communicated (together **Relevant Persons**). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this document or any of its contents.

Contents

- Introduction
- Capital raising
- Debt reduction & new banking facilities
- Elders moving forward
- Outlook and summary
- Key risk factors
- Appendices

Introduction

- Elders has transitioned from a complex and highly geared conglomerate to an agribusiness focused company with lower costs and substantially lower debt
- Elders is one of the leading suppliers of rural services to the Australian farm sector through traditional branch and agency operations and trading businesses that link primary producers with world markets

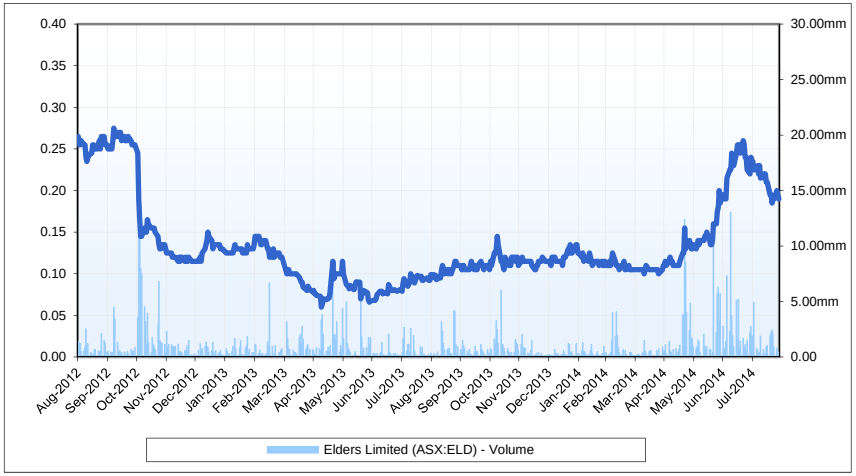


Introduction

ELD Key Statistics*

ASX Code	**ELD**
Share Price	**$0.21**
52 Week High / Low	**$0.27 / $0.092**
Ordinary Shares on Issue	**455m**
Market Capitalisation	**$95.6m**
Major Shareholders	Ruralco Holdings Limited (11.9%) QBE Insurance Group (5.1%)

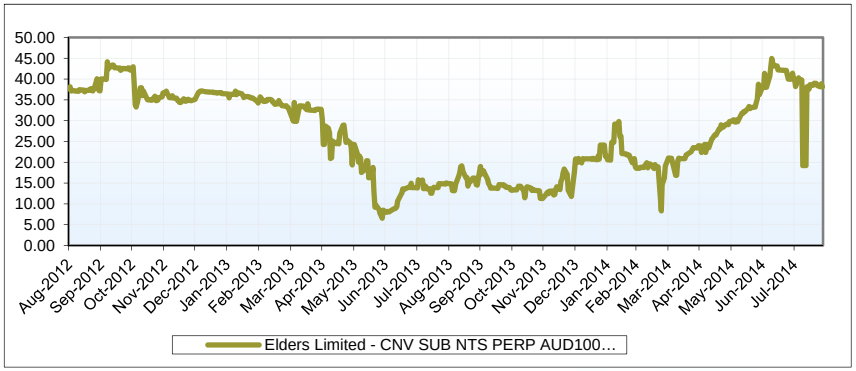
ELD Price Performance



ELDPA Key Statistics*

ASX Code	**ELDPA**
Issue Date	**April 2006**
Face Value	**$100 / $150m**
Current Price	**$42.84**
Hybrids On issue	**1.5m**
Market Capitalisation	**$64.3m**

ELDPA Price Performance



As at 10 September 2014

Elders 175 YEARS

Introduction

ELDPA - Key Terms

(ASX: ELDPA)* **Full terms set out in a replacement prospectus dated 28 February 2006.*	• 1,500,000 issued in 2006 • $100 face value ($150 million raising) • Perpetual (no maturity date), subordinated, convertible, unsecured notes • Quarterly distributions, subject to Board approval. Distribution rate is (the higher of) 3 month bank bill swap rate and the 10 year swap rate plus (in each case) a margin of 4.7% per annum • Non-cumulative. However, Elders is prevented from making distributions or capital returns to ordinary shareholders until it pays an amount equal to 12 months of back distributions to hybrid holders • Rank ahead of ordinary shares in a wind up to an amount equal to $100 plus any unpaid distributions in the last 12 months • Elders can implement face value conversion at a 2.5% discount to the ELD 20 day VWAP • Hybrid holders may require conversion in an Elders Ltd takeover recommended by the board, taking into account any premium paid to ordinary holders in the relevant bid • Hybrid terms can be varied with approval of 75% of hybrid holders who vote • Hybrids may be purchased back and retired

- Distributions ceased in 2009
- Priority for the short to medium term is to direct cash flow back into re-invigorating and strengthening the business to grow earning and returns
- As a result, ordinary share dividends (and hybrid distributions) are unlikely to resume in the next two to three years at the least

Experienced agribusiness CEO



- Mark Allison appointed CEO in May 2014
- Deep agribusiness experience throughout entire supply chain
- Track record of developing and implementing successful corporate strategy
- Supported by executive team with functional excellence and industry expertise

Distribution network	Managing Director and Chief Executive Officer of Wesfarmers Rural Division and Wesfarmers Landmark
Corporate strategy	Successfully executed sale of Landmark to AWB, realising significant shareholder value
Grower and industry focussed	Chief Executive Officer Grain Growers Limited
Heavy manufacturing	Managing Director and Chief Executive Officer of Wesfarmers CSBP and General Manager – Fertilisers, Incitec Limited
Products and services	Managing Director and Chief Executive Officer of Crop Care Australasia and FarmOz
Regulatory	Director on the Grains and Legume Nutrition Council, Chairman of Australian Pesticides and Veterinary Medicines Authority, CropLife Pty Ltd and Agsafe Pty Ltd
Practical field and sales work	Senior sales, marketing and technical roles within the crop protection, animal health and fertiliser industries



Richard Davey, Chief Financial Officer

Richard Davey was appointed Chief Financial Officer of Elders Limited in January 2013. He is a Chartered Accountant who has held senior finance positions with the Company since joining Elders in June 2002 and prior to this spent more than eight years with PricewaterhouseCoopers in Australia and Canada.

Board renewal: Agribusiness focus

- Board renewal undertaken in 2014
- Every director has agribusiness experience
- Strong finance and corporate strategy capability



Hutch Ranck, Chairman

Appointed Chairman in April 2014. Mr Ranck spent 31 years with DuPont leading business in ANZ and Asia Pacific in Agriculture, Pharmaceuticals, and Industrial Chemicals , retiring as Managing Director of DuPont (Australia) and Group Managing Director of DuPont ASEAN in May 2010. In the last 10 years he has served as a director of the Business Council of Australia, the Australian Pesticides and Veterinary Medicines Authority, the Chemical and Plastics Association and the Crop Chemical Association – Crop Life. Mr Ranck was a member of the Prime Minister's Science , Engineering and Innovation Council from 2000 until 2010. Today Mr Ranck is also a director of Iluka Resources and The CSIRO.



James Jackson, Deputy Chairman and non-executive Director

James Jackson was appointed Deputy Chairman and Non-executive Director of the Board in April 2014. Mr Jackson has more than 25 years' experience in capital markets and agribusiness, both in Australia and overseas. He held a Senior Vice President role with investment bank SG Warburg (now part of UBS) in New York and was a director of MSF Sugar Limited from 2004 to 2012, including being Chairman from 2008. Mr Jackson owns and operates a beef cattle enterprise in northern New South Wales.



Ian Wilton, non-executive Director

Ian Wilton was appointed Non-executive Director of the Board in April 2014. Mr Wilton is a Certified Practising Accountant with senior executive experience across the agricultural sector. He has held Chief Financial Officer positions with the sugar division of CSR Limited, Ridley Corporation and GrainCorp Limited and was President and Chief Executive Officer of GrainCorp Malt. Mr Wilton is currently Chief Financial Officer for Allied Mills Pty Limited, a joint venture between GrainCorp Limited and Cargill.

Capital raising

Capital raising

Placement and Entitlement Offer to raise a total of approximately $57m. Funds raised will be used pay down existing debt

Placement

- Placement of 68.25m shares at an offer price of $0.15 to raise $10.2m

Entitlement Offer

- 3 for 5 non-renounceable entitlement offer at an offer price of $0.15 to raise $47.0m
- Entitlement offer fully underwritten by Bell Potter Securities Limited and Morgans Corporate Limited

Offer Price

- 17.9% discount to theoretical ex-rights price (TERP)
- 28% discount to 1 month VWAP

Elders 175 YEARS

Rationale

On completion of the capital raising and debt refinancing, Elders will have appropriate funding to optimise performance and the ability to direct capital into high return opportunities

- Financial position stabilised with new supportive banking syndicate
  - New debt facilities to provide seasonal and working capital funding
  - New debt facilities on normalised commercial terms
  - Operating cash-flow now able to be directed into re-invigorating and growing the rural services business
- Significant cost reductions executed by new senior management
- Substantial turnaround in underlying EBIT of up to $77m for FY14
- Elders now well positioned to implement Eight Point Plan
  - Targeting $60m EBIT and 20% ROC by FY17

Details of the capital raising

Placement	
Offer structure	• 68,251,999 shares to be issued under 15% placement capacity (LR 7.1) • Shares issued to institutional and sophisticated investors (s708)
Offer price	• $0.15 per share • 28% discount to 1 month volume weighted average price
Ranking	• Shares rank equally with existing shares on issue and will be entitled to participate in entitlement offer
Entitlement Offer	
Offer structure	• Non-renounceable entitlement offer to all eligible shareholders • 3 new shares for 5 shares held at the record date, plus top-up facility to apply for additional shares • Fully underwritten by Bell Potter Securities Limited and Morgans Corporate Limited
Offer price	• $0.15 per share • 17.9% discount to TERP of $0.183 • 28% discount to 1 month volume weighted average price
Ranking	• Shares will rank equally with existing shares on issue
Use of proceeds	• Elders will use the proceeds of the placement and entitlement offer to pay down existing debt facilities

Indicative capital raising timetable

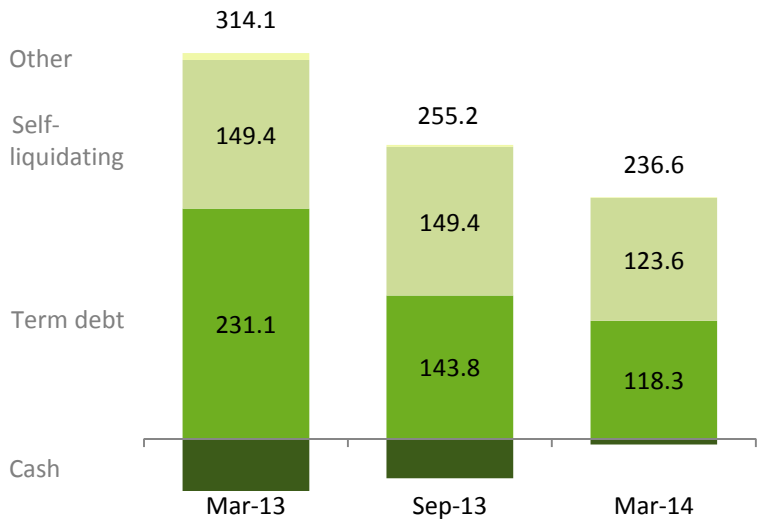
Event	Date
Trading halt announced	Thursday, 11 September 2014
Placement completed, capital raising announced and shares recommence trading	Monday, 15 September 2014
Shares trade “ex” entitlements	Wednesday, 17 September 2014
Placement settlement	Thursday, 18 September 2014
Record date to determine entitlement offer eligibility	Friday, 19 September 2014
Dispatch of entitlement offer documents	Wednesday, 24 September 2014
Entitlement offer closes	Tuesday, 7 October 2014
Entitlement offer shares allotted and dispatch of shareholding statements	Tuesday, 14 October 2014
Entitlement offer shares commence trading	Wednesday, 15 October 2014

Timetable subject to change without notice

Debt reduction & new banking facilities

1H F14 Net Debt

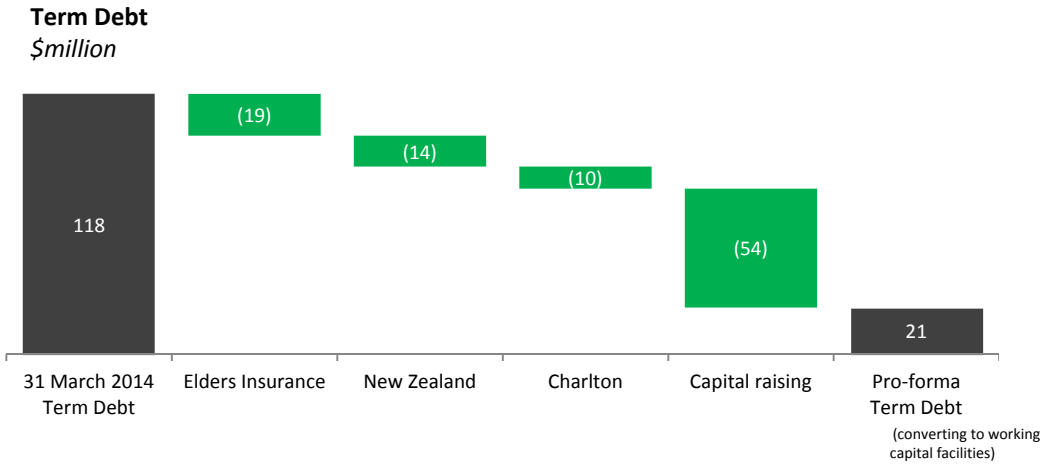
Elements of net debt
$ million



- Term debt halved year-on-year; reduced 18% over period
- Capital management strategy to shift towards more flexible and appropriate finance structure

Elders 175 YEARS

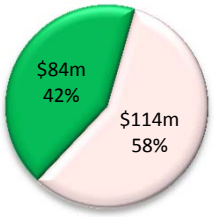
Term debt reduction



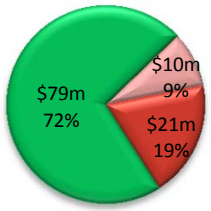
- Term debt reduced from $118m at 31 March 2014 to $21m on a pro-forma basis
  - divestments $43m
  - net proceeds from the capital raising $54m
- As disclosed to the ASX on 5 September 2014, Elders has disposed of its 50% interest in AWH Pty Ltd for approximately $32m. The purchase price will be paid to Elders only once all post completion steps have occurred and required approvals have been obtained. This has not occurred as at the date of this presentation and there is a risk that these steps may be delayed or may not occur. If they do not occur, Elders will not receive the sale proceeds and will thereafter continue to hold its interest in AWH. No debt reduction from the sale of AWH is assumed in the chart above
- Existing term debt facility proposed to be refinanced and converted into revolving working capital cash advance facility with an annualised limit reduction of $15m pa

Proposed new working capital facilities

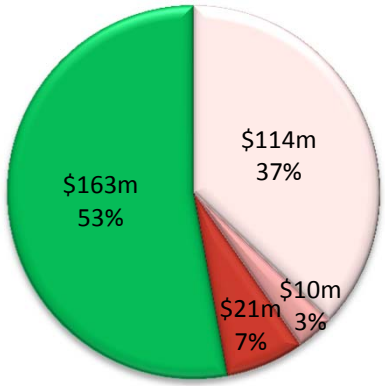
Retail debtor facility
$198 million

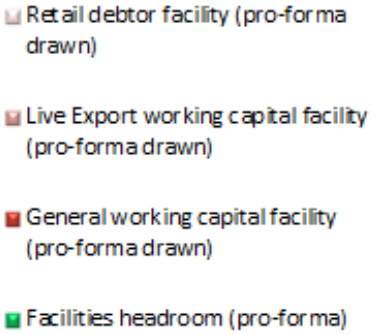


Live Export and General working capital facilities
$110 million



Total working capital facilities
$308 million





- New debt package will include a range of flexible working capital facilities including converted term debt
- Total new working capital facilities of $308m, pro-forma drawn to $145m
- Sale process being undertaken for AWH, potential to decrease drawn working capital further

Improved debt position after refinancing

- New syndicated facilities of $308m, drawn to $145m with 3 current syndicate members
- Working capital facilities will have up to three year tenure*
- $60m stand-by letter of credit and bank guarantee facility to reduce to $30m within 3 months of completion of refinance
- No term debt facilities – board policy is to maintain minimal to zero term debt
- No mandated asset disposals or mandatory amortisation
- Standard financial covenants include:
  - Interest cover ratio (EBITDA/Interest Expense)
  - Leverage ratio (Net debt/EBITDA)
  - Tangible net worth test (Tangible assets less liabilities)
- Covenants structured with circa 25% headroom with a first testing date of 31 March 2015
- Interest savings:
  - 10 bps on retail debtor facility
  - 125 bps on other working capital facilities

**Refer to Appendix 3 for more detail on the debt facilities*

Elders 175 YEARS

Pro-forma balance sheet

$ million	As at 31 March 2014	Divestment of assets	Net proceeds from capital raising	Refinance	Pro-forma Balance Sheet as at 31 March 2014
Cash and cash equivalents	6.0	(5.6)	54.0	(54.0)	0.4
Assets held for sale	99.0	(69.0)	-	-	30.0
Other assets	497.6	-	-	-	497.6
Total Assets	602.6	(74.6)	54.0	(54.0)	528.0
Liabilities associated with assets held for sale	31.1	(31.1)	-	-	-
Term debt	118.3	(43.7)	-	(74.6)	-
Working capital facilities and other	124.2	-	-	20.6	144.8
Other liabilities	291.0	(0.2)	-	-	290.8
Total Liabilities	564.6	(75.0)	-	(54.0)	435.6
Issued capital	1,268.6	-	54.0	-	1,322.6
Hybrid equity	145.2	-	-	-	145.2
Other	(1,375.8)	0.4	-	-	(1,375.4)
Total Equity	38.0	0.4	54.0	-	92.4
Gearing [term debt / equity]	311%				0%
Gearing [net debt / equity]	622%				156%

- Pro-forma balance sheet shows impact of the following events as though they had occurred on 31 March 2014:
  - Divestment of non-core assets as previously disclosed
  - Net proceeds of the capital raising of $54m, assuming $57m raised
  - Refinancing of debt facilities, with net proceeds from capital raising extinguishing $54m of existing term debt and conversion to working capital facilities
- Pro-forma balance sheet does not show impact of potential AWH asset sale (see slide 17)
- DTA on tax losses not recognised $230m
- Franking credits of $18m
- Refer to Appendix 1 for detailed Pro-forma Balance Sheet and basis of preparation

Elders moving forward

Elders now: what we are

Retail Products



- Farm Supplies
- Fertiliser

- $1b retail sales
- 540k tonnes fertiliser

Agency Services



- Livestock
- Wool
- Grain
- Real Estate

- 9.1m head sheep
- 1.6m head cattle
- 386k wool bales
- 1.3m grain tonnes
- $1.3b real estate sales

Financial Services



- Banking
- Insurance

- $2.8b loan book
- $1.6b deposit book
- $560m GWP

Feed & Processing



- Killara Feedlot
- Elders Indonesia
- Elders China

Killara	41k head
Indonesia	18k head
China	$8.2m sales

Live Export



- Short haul livestock
- Long haul livestock

- 77k head short haul
- 56k head long haul

Online Platforms

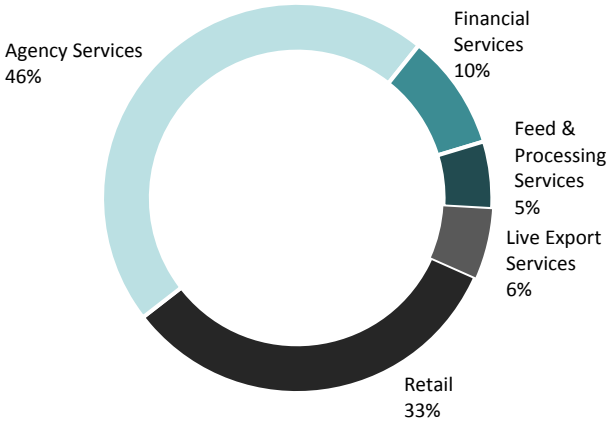
- Agsure
- Auctions Plus

** Figures based on FY13 statistics, excluding discontinued operations*

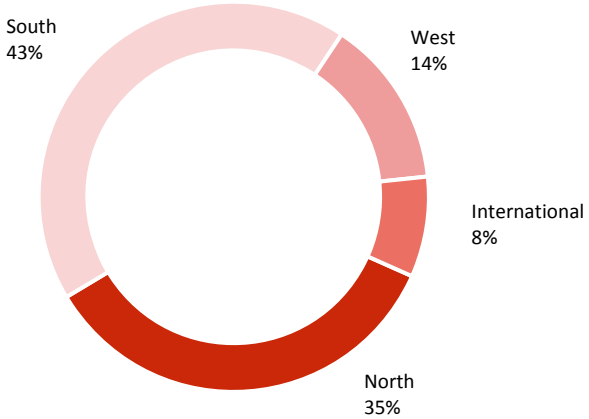
Elders 175 YEARS

Elders now: what we are

Margin generated by product *



Margin generated by geography *



- Diversification in product offerings and geographic streams of earnings
- Diverse climates and growing capabilities of customer base
- Touch points across entire agricultural supply chain

** Based on 1H FY14 results*

Elders 175 YEARS

Elders now: where we are



- ✓ Approximately 2,000 employees in 370 locations in Australia
- ✓ Operations in Indonesia and China, and access to world markets
- ✓ Proximity to Asia provides opportunity to capitalise on growing middle class demand for premium agricultural products

Elders today: the opportunity

Growing global demand for food and fibre, particularly from Asia, presents opportunities for Australian agriculture and Elders

Global trends

Population growth
World population 8 billion by 2025
85% of growth from Asia

Increased food demand
To rise 75% in first half of 21st century

Rising middle class
An example is Indonesian middle class growing by 20-25 million ever 3-5 years

Increased urbanisation
An example is that 50% of Chinese population lives in cities and spends 270% more than rural counterparts

Decreasing arable land
Due to urbanisation and environmental contamination

Australian competitive advantage

- **Diversified geography and product base**
- **Ample land and water supply**
- **Proximity to Asian markets**
- **Deregulated markets driving competition**
- **World leading biosecurity**
- **Best practice farming methodologies**
- **First world infrastructure**
- **Politically stable**

Elders 175 YEARS

Elders' turnaround

- Turnaround on track with significant milestones achieved
- Recapitalisation underway
- Recapitalisation will provide capital structure to optimise business and enable Elders to grow



Delivering on four priorities

Capital Management

- ✓ Ongoing ROC focus
- ✓ Average working capital reduced 20% from FY13
- ✓ Term debt to revolving facility with capital raising
- ✓ Refinance to complete with capital raising
- ✓ Capital raising will allow working capital to be optimised given seasonal and live export demand

Operational Performance

- ✓ Up to $77m Underlying EBIT turnaround in FY14
- ✓ All areas have lifted earnings contribution
- ✓ Eight Point Plan developed and being implemented
- ✓ EBIT margin* lifted to 2% from -3%
- ✓ ROC* at 10% up from -9%

* EBIT and ROC figures are based on F14 (low) outlook and are comparable to F13

Leadership Renewal

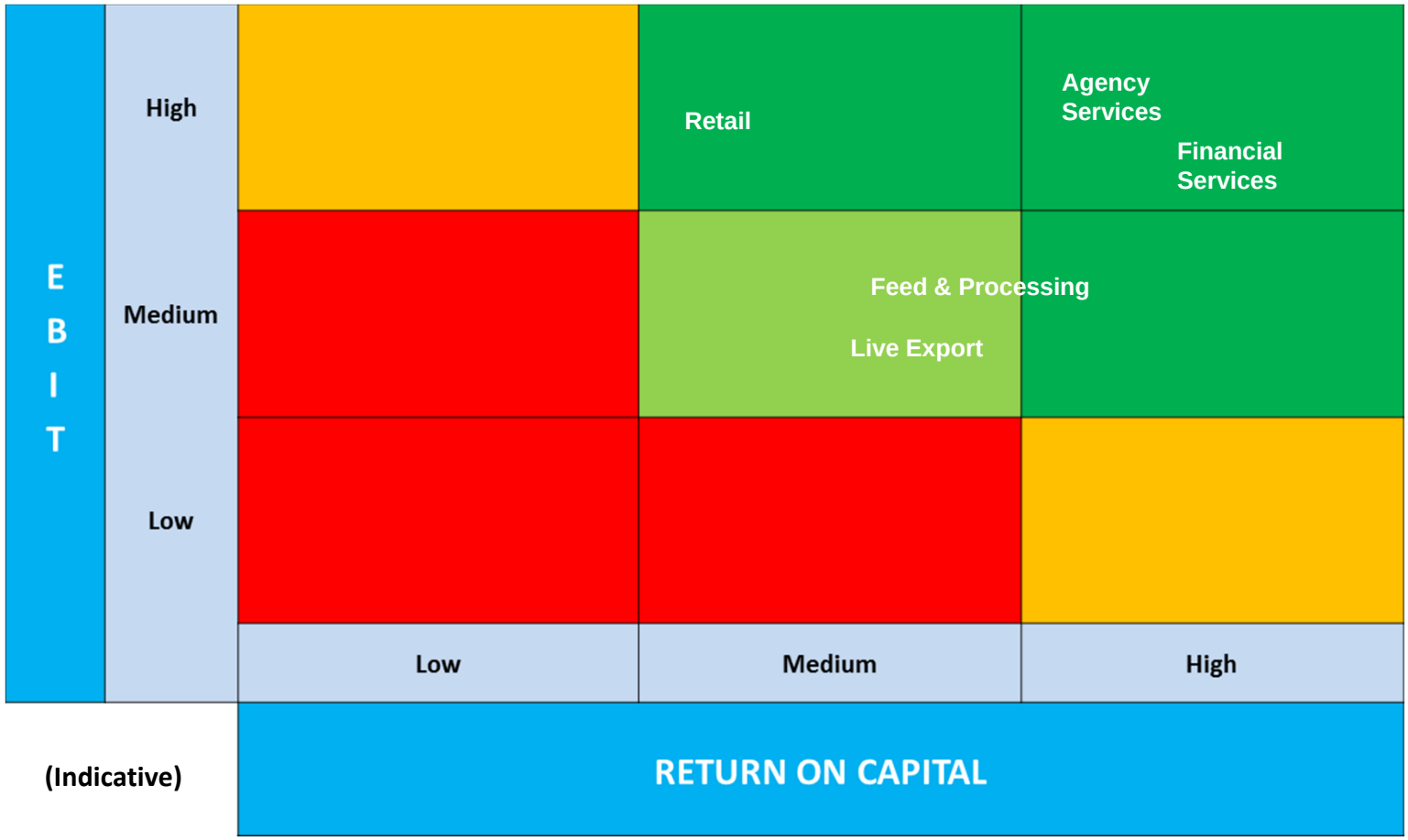
- ✓ Board renewal: 2 new NEDs and new chair
- ✓ Experienced agribusiness CEO appointed with track record of delivering value
- ✓ Executive management restructured to align capabilities with strategy
- ✓ Ongoing investment in leadership renewal and development (eg branch managers development course)

Safety Performance

- ✓ Lost time injuries almost halved
- ✓ Ambition is to be LTI free

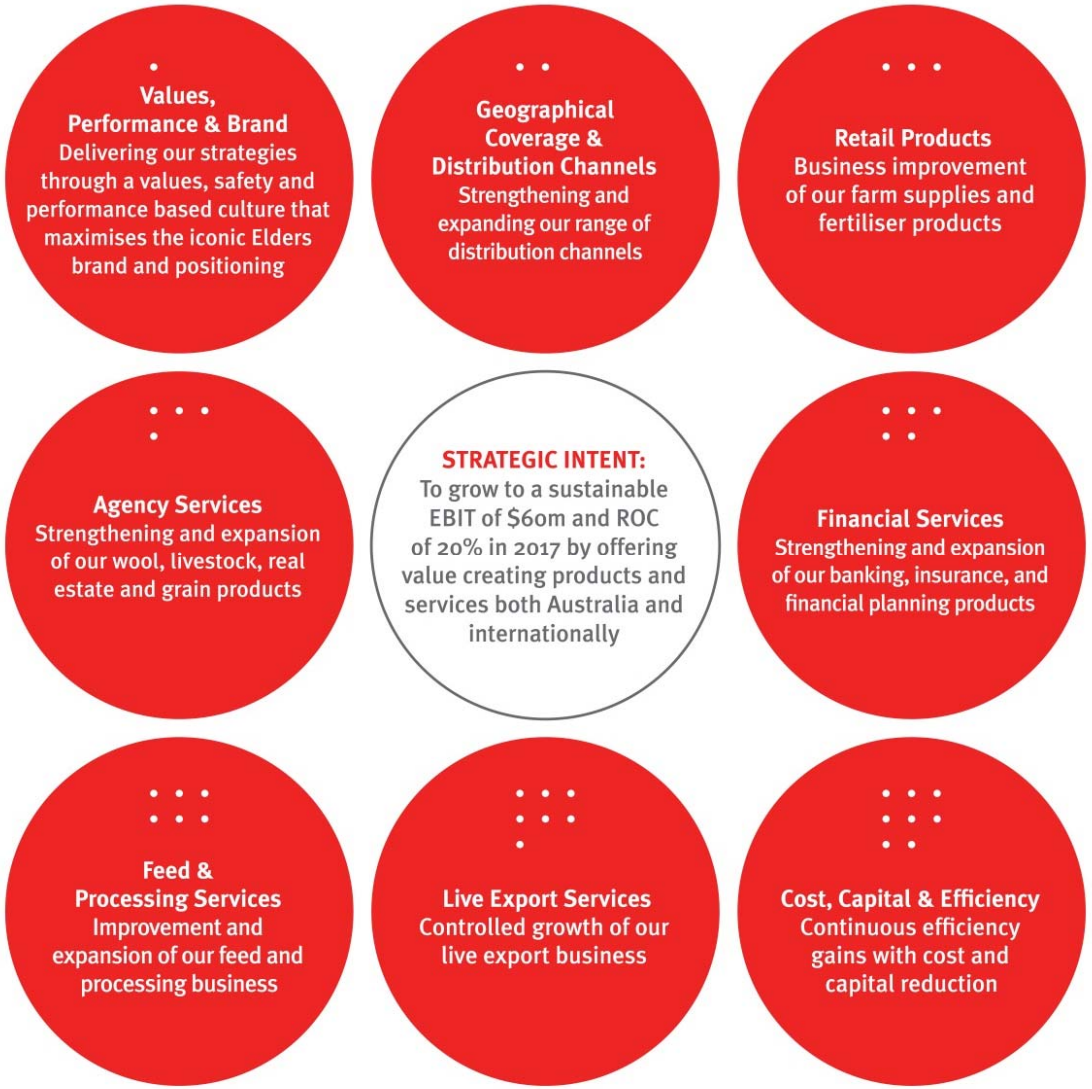
Elders 175 YEARS

Strategy



Elders 175 YEARS

The Eight Point Plan



The Eight Point Plan in action

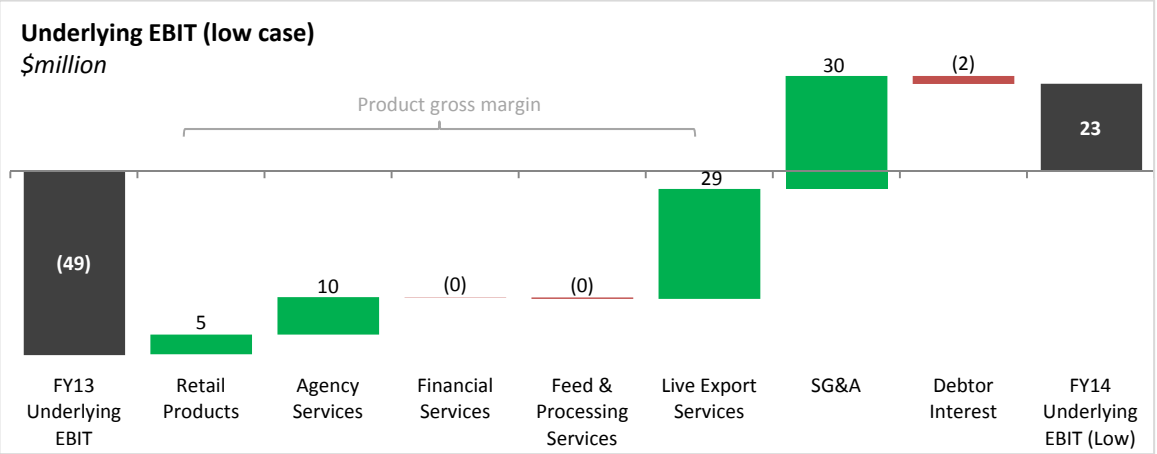
Values, Performance and Brand	• delivering Elders' strategies through values, safety and performance based culture that maximises the iconic Elders brand and positioning
Geographical Coverage and Distribution Channels	• branch optimisation plan • expanding distribution channels, including wholesale and online
Retail Products	• implementation of a capital light, ROC driven farm supplies and fertiliser business model • product and supplier rationalisation plan for selected farm supplies and fertilisers • national retail margin management system • rebuilding technical services expertise
Agency Services	• strengthening and expanding our wool, livestock, real estate and grain products through improved operating and remuneration structures • recruitment and retention of high performers
Financial Services	• driving cross referrals and maximising opportunities throughout the portfolio • recruiting key people across all product areas • refining long term joint venture arrangements • implementing innovative operating models
Feed and Processing Services	• Killara feedlot: disciplined ROC based feedlot capacity utilisation, supported by continued export and feeder demand • Roll out of Indonesian integrated supply model in China and Vietnam
Live Export Services	• controlled growth through a disciplined ROC based live export shipment evaluation and approval process • pursuing growth opportunities in existing and new markets
Cost, Capital and Efficiency	• continuous efficiency gains with capital and cost reductions

Elders 175 YEARS

Outlook and summary

FY14 outlook

Profit: Reported and Underlying (September year end)					
$million	**FY14**		**FY13 ***	**Change**	
Underlying EBIT:	**Low**	**High**		**Low**	**High**
Network ^	49	51	16	33	36
Feed and Processing Services	3	4	4	(2)	(1)
Live Export Services	4	5	(27)	31	32
Corporate Services	(32)	(32)	(42)	10	10
Underlying EBIT	**23**	**28**	**(49)**	**72**	**77**
Net underlying finance costs ^	(16)	(15)	(17)	1	2
Underlying profit/(loss) before tax	**7**	**13**	**(66)**	**74**	**79**
Tax on underlying profit/(loss)	(2)	(1)	(2)	0	1
Non-controlling interests	(2)	(2)	(2)	-	0
Underlying profit/(loss) to shareholders	**4**	**10**	**(70)**	**74**	**80**
Items excluded from underlying profit/(loss)	**(25)**	**(15)**	**(435)**	**410**	**420**
Reported profit/(loss) after tax to shareholders	**(21)**	**(5)**	**(505)**	**484**	**500**



FY14 Underlying EBIT expected to be in the range of $23m – $28m

Key improvements include:

- Up to $77m in Underlying EBIT turnaround
- Retail: Savings from decentralisation of farm supplies management and improvement in seasonal conditions for Western and Southern zones
- Agency: Livestock price and volume recovery
- Live Export: FY13 includes $(24m) balance sheet adjustments. Good demand in both long haul and short haul markets
- SG&A: Benefits arising from Horizon restructure
- Refer to Appendix 2 for NPAT sensitivity to key drivers

** FY13 results have been restated to allow like-for-like comparison*
^ Overdue debtor income now reclassified to Network EBIT. This was previously reported under finance costs

Elders 175 YEARS

Pathway to higher profits and returns

Eight Point Plan Opportunities	EBIT		Average
$ million	Low	High	Capital *
1. Values, Performance & Brand			
2. Geographical Coverage & Distribution Channels	3	6	1
3. Retail Products	3	5	3
4. Agency Services	3	6	
5. Financial Services	1	1	
6. Feed and Processing Services	1	2	
7. Live Export Services	1	3	1
8. Cost, Capital and Efficiency	3	4	
Total Eight Point Plan	**15**	**27**	**5**
Livestock Prices	3	6	1
Wool Clip Recovery	1	2	
Banking	1	2	
Seasonal Improvements - Retail	-	3	4
Other	-	1	
Total Market Environment / Other	**5**	**13**	**5**
EBIT Opportunities	**20**	**40**	**10**

** Average capital requirements for low to medium EBIT opportunities. To achieve high EBIT opportunities, it is expected that additional capital will be required which can be achieved within the existing capital base.*

- Geographical Coverage & Distribution Channels
  - Branch benchmarking and improvement plan
  - Wholesale Farm Supplies (On line platform capex $1m)
- Retail Products
  - Speciality fertiliser
  - Product and supplier rationalisation
  - Margin control on non-price sensitive products
- Agency Services
  - Livestock price increase and volume growth
  - Wool recovery from poor seasonal conditions
- Financial Services
  - New business opportunities – food and advisory
- Feed & Processing Services
  - Killara feedlot: Optimising utilisation levels, supported by continued export and feeder demand
  - Roll out of Indonesian integrated supply model in China and Vietnam
- Live Export Services
  - Stabilising long haul; strong demand from China allows selective shipping
  - Short haul supported by strong demand from Indonesia and Vietnam
- Cost, Capital & Efficiency
  - Net cost reduction of 2%

Elders 175 YEARS

Investment summary

Elders

- A focussed Australian agribusiness with lower costs and lower debt
- A board and management team with deep rural services experience
- A leading supplier of rural services to the Australian farm sector
- Presence in all significant Australian agricultural regions and market segments
- Delivering cost reductions and underlying EBIT improvement in FY14
- New bank facilities and equity funding to underpin growth strategy
- A strategic plan to deliver improved earnings and returns
- FY17 target of $60m EBIT and 20% ROC
- A platform to generate real value

Key risk factors

Key Risk Factors

- **Introduction**
  - Before applying for New Shares applicants should consider whether the New Shares are a suitable investment. Applicants should be aware that there are risks associated with an investment in the New Shares and Elders generally, many of which are outside the control of Elders and its Directors.
  - The summary of risks below is not exhaustive. Applicants should read this section together with all publicly available information (including this Offer) and consult their stockbroker, accountant, solicitor or other professional adviser before deciding whether to apply for New Shares in Elders.
- **Eight Point Plan**
  - Failure to successfully execute the eight point plan and other operational initiatives may have a material adverse effect on Elders' future financial performance and position, including Elders' ability to achieve its aspirational performance targets.
- **AWH sale**
  - As disclosed to the ASX on 5 September 2014, Elders has disposed of its 50% interest in AWH Pty Ltd for approximately $32 million. The purchase price will be paid to Elders only once all post completion steps have occurred and required approvals have been obtained. This has not occurred as at the date of this presentation . There is a risk that these steps may be delayed or may not occur. If they do not occur, Elders will not receive the sale proceeds and will thereafter continue to hold its interest in AWH.
- **Risks associated with Elders' rural activities**
  - Set out below are examples of risks associated with Elders' rural activities. It is not intended to be an exhaustive list. These risks are relevant to the decision to invest in New Shares as they may affect the level and volatility of the profits of Elders and therefore its capacity to pay dividends.
  - In relation to the rural activities, Elders' financial performance will be dependent on conditions in the rural economy. In turn such conditions are largely influenced by levels of demand and prices in world commodity markets and seasonal conditions.
- *Adverse climatic conditions*
  - Elders' business is sensitive to adverse climatic conditions or other natural events (for example flood, drought, pestilence and fire). Adverse climatic conditions and other natural events may reduce the output of relevant agricultural products and affect the operation of Elders' business.
- *Movements in commodity prices and other factors*
  - Movements in international commodity prices, exchange rates and a decrease in the volume of Australian rural production are beyond Elders' control and could adversely affect margins in the future.
- *Health and safety of agricultural products*
  - Biosecurity threats to the health and safety of agricultural products and livestock (for example BSE in respect of cattle, other disease, pestilence and forces of nature) may adversely affect Elders' business.

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Key Risk Factors

- *Livestock export business*
  - Elders is engaged in the livestock export business. This business may be adversely affected by the imposition of tariffs or free trade agreements, export bans or embargos which may reduce Elders' competiveness, or ability to operate, in international markets.
- *Government subsidies*
  - Subsidies given to foreign rural producers may adversely affect the competitive position of Australian rural outputs.
- *Rural loans*
  - Any of the above factors may also affect the ability of borrowers to service rural loans. This may affect the value of securities held against rural loans with a consequent effect on the carrying value of the investment in Elders and the return from this investment.
- **Risks associated with Elders' business**
- *Competition*
  - Elders faces competition in the markets in which it operates. Competition may affect the cash flow and earnings which Elders will realise from its operations.
- *Finance facilities*
  - ANZ, Rabobank and NAB (the **Financiers**) have issued to Elders a credit approved commitment letter and term sheet under which the Financiers commit to provide loans and other banking facilities to Elders for the purposes of refinancing or retiring its existing senior debt financing arrangements and to finance the general corporate and working capital requirements of the Elders Group.
  - The availability of funding to Elders under its new banking facilities is subject to the satisfaction of a number of conditions precedent, including but not limited to the receipt of funds by Elders from the capital raising and the entry into of formal documentation reflecting the commitment letter and term sheet. If for any reason those conditions precedent are not satisfied (to the extent they are not waived by the Financiers), Elders will not be entitled to draw down under the facilities. Elders is not as at the date of this presentation aware of any reasons why the conditions precedent will not be satisfied in the ordinary course to enable first drawdown to occur as and when required.
  - Elders is subject to various covenants in relation to its existing and new banking facilities. Factors such as a decline in Elders' operational and financial performance could lead to a breach of its debt covenants. If this occurs, Elders may be required to repay its loans and other amounts outstanding under its banking facilities immediately.
  - Elders' ability to service its debt will depend on its future performance and cash flows, which will be affected by many factors some of which are beyond Elders' control. Any inability of Elders to service its existing debt or future debt may have a material adverse effect on Elders.
- *Loss of key personnel*
  - Elders' profitability may be restricted by the loss of key management personnel who have particular expertise in the market in which Elders' operates.

Elders 175 YEARS

Key Risk Factors

- *Litigation and disputes*
  - Legal and other disputes may arise from time to time in the ordinary course of operations. Any such dispute may impact on earnings.
  - On 23 July 2014 Elders made an ASX announcement regarding an award against Elders of $2.7m (at then prevailing exchange rates) plus interest and costs in relation to a historical livestock trading contract. Applicants should consider the details set out in that announcement. The claimant is taking steps to enforce that award and Elders continues to vigorously pursue its counter claim against the claimant. As at the date of this presentation the result of the counterclaim arbitration remains unknown.
- **Risks associated with the Elders' hybrid securities**
- *Hybrid dividend priority*
  - Under the terms of Elders' hybrid securities (**Hybrids**) as detailed in the Hybrid replacement prospectus dated 28 February 2006 (**Hybrid Prospectus**), the holders of Hybrids (**Holders**) are to be paid distributions in arrears on 31 March, 30 June, 30 September and 31 December each year (**Distributions**). Although the Distributions are not cumulative, if a Distribution is not paid, Elders may not pay a dividend or other distribution to its Shareholders.
- This restriction may only be removed in certain circumstances including:
    - by special resolution of Holders;
    - by Elders paying Holders an optional distribution of not less than the unpaid Distributions during the previous 12 months; or
    - by Elders subsequently paying Distributions in full to Holders for a period of 12 months.
  - Elders has not paid Distributions in the previous 12 months. Therefore the restriction on the payment of dividends or distributions to its Shareholders may only be removed in accordance with the circumstances outlined in the paragraph above.
  - If calculated at 28 August 2014, the total amount of Distributions over a 12 month period that Elders would be required to pay before it may pay a dividend or other distribution to Shareholders is $8.8 million. This assumes a fully franked Distribution and is based on interest rate of 8.4% per annum.
  - The Hybrid terms of issue provide for a periodic remarketing process which could result in, amongst other outcomes, a step up of 2.5% margin in addition to the margin prevailing at the time of the remarketing. The next scheduled remarketing occurs in June 2016.
- *Hybrid preference on winding up*
  - As detailed in the Hybrid Prospectus, on the winding up of Elders each Holder will be issued a *Preference Share* and has a right to the *Debt Portion*. This or the notional entitlement to *Preference Shares* entitles each Holder, on the winding up of Elders to be paid after all creditors but in priority to Ordinary Shareholders an amount equal to $100 plus any unpaid Distributions in the last 12 months.

Elders 175 YEARS

Key Risk Factors

- **Risks associated with economic factors and regulatory changes**
  - Set out below are risks associated with investment in Elders and the New Shares. These risks may impact the financial performance and prospects of Elders and the demand for Elders securities.
- *Changes in economical and financial market conditions*
  - Movements in Australian and international stock markets, changes in interest rates, inflation and inflationary expectations and overall economic and political conditions may affect the demand for and price of the New Shares. Investors should be aware that there are risks associated with any investment in securities and that the prices of securities can go down as well as up.
- *Changes in laws and government policy*
  - Changes in government legislation and policy in those jurisdictions in which Elders operates, in particular changes to taxation laws, may affect the future earnings, asset values and the relative attractiveness of investing in Elders securities. In particular government and public focus on environmental sustainability could require Elders to incur material costs or otherwise adversely affect Elders' financial performance.
- *Changes in accounting standards*
  - Changes in accounting or financial reporting standards may adversely impact the financial performance reported by Elders.
- *ASX market volatility*
  - The ASX price of Elders' securities may fluctuate due to various factors including the Australian and international investment markets, international economic conditions, global geo political events and hostilities, investor perceptions and other factors that may affect Elders' financial performance and position.
- *Other external factors*
  - Other external factors which may impact on Elders' performance include changes or disruptions to political, regulatory, legal or economic conditions or to the national or international financial markets including as a result of terrorist attacks or war or insurrection.
- **Risks associated with the Offer**
- *Market risk*
  - The market price of Elders' shares may fluctuate due to various factors including those outlined above. The above factors are not an exhaustive list of the risks faced by Elders or by investors in Elders. The above factors, and others not specifically referred to, may in the future materially affect the financial performance of Elders and the value of the New Shares. The market price of the New Shares could trade on ASX at a price below their issue price.
  - No assurances can be given that the New Shares will trade at or above the offer price under the Offer. None of Elders, its Board or any other person guarantees the market performance of the New Shares.



Key Risk Factors

- *Dilution risk*
  - If you do not take up all or part of the New Shares offered to you under the Offer, then your percentage shareholding in Elders will be diluted.
- *Dividends*
  - The payment of dividends by Elders is determined by the Elders Board from time to time at its discretion, dependent on the profitability, gearing position and cash flow of Elders' business. As outlined above, there is a restriction on the payment of dividends due to distributions no having been paid in respect of outstanding Hybrids. Any future dividends will be determined by the Elders' Board having regard to its operating results and financial position at the relevant time. There is no guarantee that any dividend will be paid by Elders or, if paid, that it will be paid at previous levels.
- *Taxation implications*
  - Any future changes in taxation laws, including changes in the interpretation or application of those laws by the court or taxation authorities may affect the taxation treatment of an investment in Elders' securities, or the holdings and disposal of those securities. As tax considerations may differ between security holders, prospective investors are encouraged to seek professional tax advice in connection with any investment in the New Shares
  - The ability of Elders to deduct prior year tax losses is restricted in particular by continuity of ownership (COT) and same business (SBT) tests. In general a listed company is entitled to a deduction for a prior year tax loss if total shareholdings with less than a 10% shareholding remain above 50% during the start of a loss year, end of an income year and when a corporate change occurs. However, if the required continuity of ownership is not maintained, the company may still be entitled to the deduction if it satisfies a same business test, determined by reference to the business the company carries on immediately before the change of ownership causing failure of the COT. No assurance can be given that COT will be satisfied in respect of Elders and, if not, that SBT will be satisfied. No assurance can therefore be given that Elders carry forward tax losses will be available for deductions.

Elders 175 YEARS

Appendix

1 Pro-forma balance sheet

$ million	As at 31 March 2014	Divestment of assets	Net proceeds of capital raising	Refinancing	Pro-forma Balance Sheet as at 31 March 2014
Current assets					
Cash and cash equivalents	6.0	(5.6)	54.0	(54.0)	0.4
Trade and other receivables	307.0	-			307.0
Livestock	31.4	-			31.4
Inventories	105.7	-			105.7
Non current asset classified as held for sale	99.0	(69.0)			29.9
Current tax asset	0.8	-			0.8
Total current assets	**549.9**	(74.6)	54.0	(54.0)	**475.2**
Non current assets					
Trade and other receivables	0.4	-			0.4
Investments	7.2	-			7.2
Property, plant and equipment	27.5	-			27.5
Intangibles	5.6	-			5.6
Deferred tax assets	12.0	-			12.0
Total non current assets	**52.8**	-	-	-	**52.8**
Total assets	**602.6**	(74.6)	54.0	(54.0)	**528.0**
Current liabilities					
Trade and other payables	243.0	-			243.0
Interest bearing liabilities	242.3	(43.7)		(59.6)	139.0
Provisions	38.0	(0.2)			37.8
Liabilities associated with assets held for sale	31.1	(31.1)			-
Total current liabilities	**554.4**	(75.0)	-	(59.6)	**419.8**
Non current liabilities					
Interest bearing liabilities	0.2	-		5.6	5.8
Deferred tax liabilities	1.7	-			1.7
Provisions	8.2	-			8.2
Total non current liabilities	**10.2**	-	-	5.6	**15.7**
Total liabilities	**564.6**	(75.0)	-	(54.0)	**435.6**
Net assets	**38.0**	0.4	54.0	-	**92.4**
Equity					
Issued capital	1,268.6	-	54.0		1,322.6
Hybrid equity	145.2	-			145.2
Reserves	(18.7)	(1.0)			(19.7)
Retained earnings	(1,360.4)	3.7			(1,356.7)
Parent interest in equity	**34.6**	2.7	54.0	-	**91.3**
Non-controlling interests	3.4	(2.3)			1.1
Total equity	**38.0**	0.4	54.0	-	**92.4**

Basis of Preparation

The Pro-forma Balance Sheet has been prepared for illustrative purposes only, to show the impact on the actual historical balance sheet as at 31 March 2014 of the following events as though they had occurred on 31 March 2014:

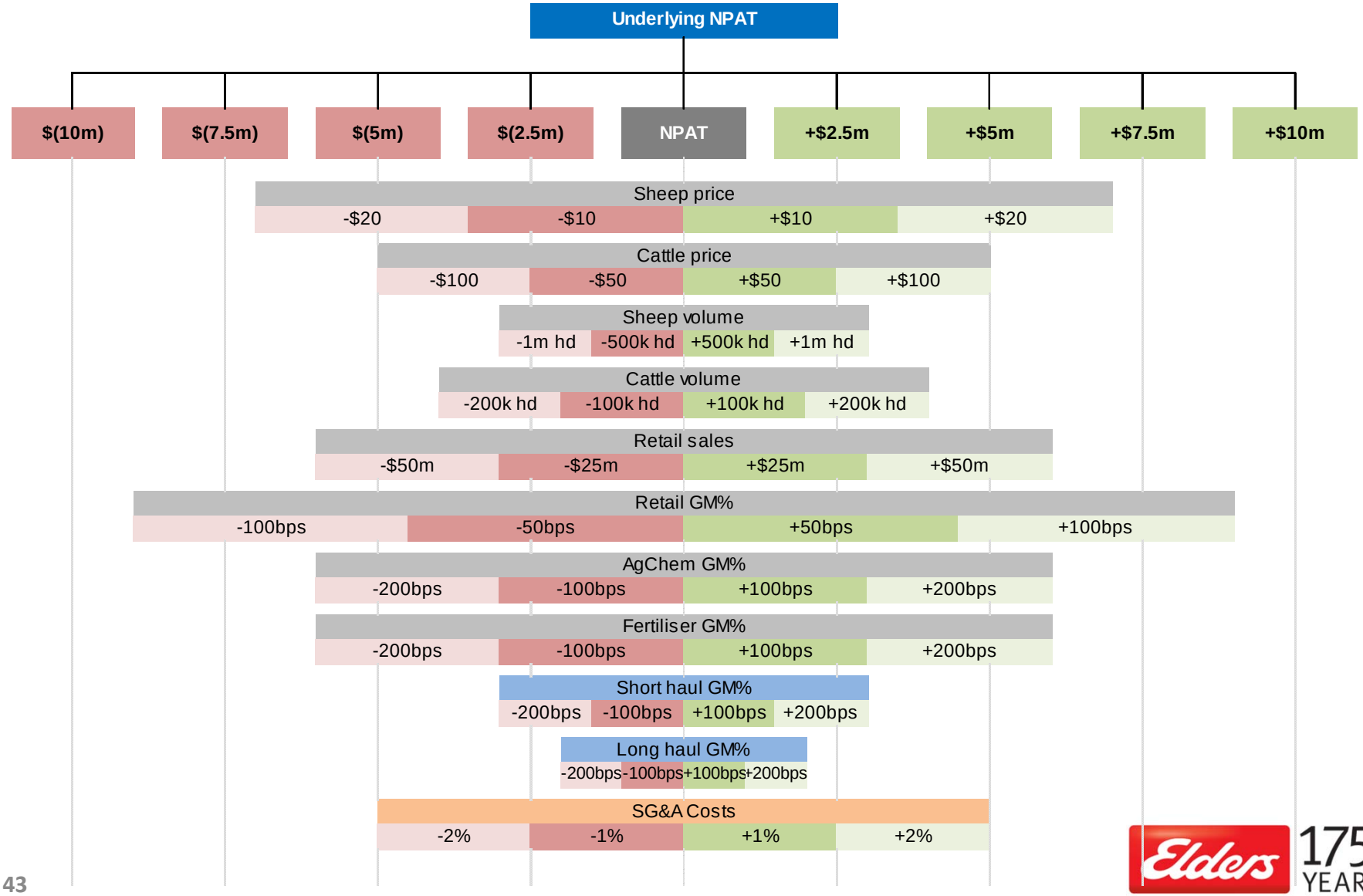
- Asset divestments for residual 10% interest in Elders Insurance, Charlton Feedlot, JSB (New Zealand wool trading business) and Elders Rural Holding (New Zealand network) have been completed;
- Gross underwritten proceeds from the Capital Raising of $57 million has been successful, less expected costs of $3 million; and
- Refinancing of the Company's debt facilities has been successfully completed.

At the date of this Presentation, Elders is undertaking a sale process for its investment in AWH (see slide 17). As this process is not completed, it has not been effected in the Pro-forma Balance Sheet.

The Pro-forma Balance Sheet is presented in abbreviated form and does not contain disclosures that are usually provided in a financial report prepared in accordance with the Corporations Act.

The Pro-forma Balance Sheet is not represented as being indicative of Elders' view of its future financial position. The Pro-forma Balance Sheet is presented based on the specific pro-forma adjustments and transactions, and does not take account of the financial performance, cash flows or other movements in balance sheet items of Elders for the period 31 March 2014 to the date of this Presentation.

2 Profit sensitivity



3 Debt refinance – Facility overview

Type	Limit	Drawn as at 31 March 2014 pro-forma	Undrawn	Term (months)
Working Capital Facilities				
Revolving working capital cash advance facility	$45m	$21m	$24m	36
Working capital liquidity facility	$15m	-	$15m	36
Farm Supplies debtor securitisation (Argo)	$183m	$114m	$69m	18
Argo pre-sale working capital facility	$15m	-	$15m	18
Elders International working capital multi option facility	$25m	-	$25m	12
Trading Bills facility	$15m	$10m	$5m	24
Transactional Banking facility	$10m O/D $15m intraday	-	$10m	12
Total working capital facilities	**$308m+ $15m intraday**	**$145m**	**$163m**	

Elders also has access to stand-by letters of credit and bank guarantees in the ordinary course of business. This facility limit of $60m will be transitioned to $30m within 3 months of completion of refinance.


Elders
175
YEARS

Additional information

This Offer Document (including the ASX announcement and Investor Presentation in relation to the Entitlement Offer reproduced in it) and accompanying personalised Application and Entitlement Form have been prepared by the Company. The information in this Offer Document is dated 15 September 2014.

No party other than the Company has authorised or caused the issue of the information in this Offer Document, or takes any responsibility for, or makes, any statements, representations or undertakings in this Offer Document.

1. Required Actions

1.1 Effect of the Entitlement Offer on capital structure

The capital structure of the Company assuming that the maximum number of New Shares are issued under the Entitlement Offer, will be as follows:

Shares	Number
Shares on issue as at 15 September 2014	455,013,329
Hybrids on issue as at 15 September 2014	1,500,000
Placement Shares	68,251,999
New Shares offered under the Entitlement Offer as per this Offer Document	313,959,197*
Total Shares on issue on close of the Entitlement Offer	837,224,525*

*Approximately depending on fractional Entitlements on the Record Date.

1.2 Financial effect of the Entitlement

Please see the Investor Presentation for the financial effect of the Entitlement Offer on the Company.

1.3 Impact on control

The potential effect that the Entitlement Offer will have on the control of the Company and the consequences of that effect, will depend on a number of factors, including Eligible Shareholders' interest in taking up their Entitlements. The Entitlement Offer is not expected to have a material impact on the control of the Company other than as set out below.

Specifically, the Company does not expect any Shareholder to hold more than 20% after completion of the Entitlement Offer.

1.4 Directors

All Directors who hold Shares at the Record Date intend to participate in the Entitlement Offer.

2. Risk factors

2.1 Introduction

The Company's operations are subject to a number of risks which may impact on its future performance and forecasts. Before subscribing for New Shares, Shareholders should carefully consider and evaluate the Company and its business and whether the New Shares are suitable to acquire having regard to their own investment objectives and financial circumstances and taking into consideration the material risk factors.

In particular, Shareholders should consider the risk factors outlined in the *Key Risk Factors* section of the Investor Presentation included in this Offer Document, any of which could affect the operating and financial performance of the Company or the value of an investment in the Company. The risk factors set out in the *Key Risk Factors* section of the Investor Presentation are not exhaustive.

You should consult your stockbroker, accountant, solicitor or other independent professional adviser to evaluate whether or not to participate in the Entitlement Offer. The Company has applied, or will apply, to ASX for the grant of official quotation of the New Shares. It is expected that normal trading on ASX will commence in relation to New Shares issued under the Entitlement Offer on 15 October 2014. The Company will have no responsibility and disclaims all liability (to the maximum extent permitted by law, including for negligence) to persons who trade New Shares before the New Shares are listed on the official list of ASX or before they receive their written confirmation of issue, whether on the basis of confirmation of the allocation provided by the Company, the Share Registry or the Underwriters. ASX accepts no responsibility for any statement in this Offer Document.

2.2 New Zealand Shareholders

New Zealand Shareholders should also consider the taxation and currency risks associated with investing in New Shares.

3. Taxation

3.1 Introduction

Taxation is only one of the matters that must be considered when making a decision in relation to New Shares.

Set out below is a summary of the Australian tax implications of participating in the Entitlement Offer for Eligible Shareholders who are residents of Australia for tax purposes and who hold their Shares as capital assets.

This section does not consider the Australian tax consequences for particular types of Eligible Shareholders, including those who:

(a) hold their Shares as assets used in carrying on a business or who may carry on the business of share trading, banking or investment; or

(b) hold their Shares through an employee share scheme or whose Shares are held as revenue assets or trading stock; or

(c) may be subject to special tax rules, such as insurance companies, partnerships, tax exempt organisations, trusts (except where expressly stated), superannuation funds (except where expressly stated) or temporary residents; or

(d) are tax residents of any jurisdiction (including New Zealand) other than Australia.

The summary below is based on the law in effect as at the date of this Offer Document, is general in nature and should not be relied on by Eligible Shareholders as tax advice. Eligible Shareholders should seek specific advice applicable to their own particular circumstances from their own financial and tax advisers.

3.2 Income tax

Issue of Entitlements

Subject to the qualifications noted above and assuming that the Eligible Shareholder continues to hold their Shares until the issue of the Entitlements, the issue of the Entitlements will not, of itself, result in any amount being included in the assessable income of an Eligible Shareholder on

the basis that the Entitlements satisfy the requirements in section 59-40 of the *Income Tax Assessment Act 1997* (Cth) and will therefore be treated as non assessable and non exempt income.

Exercise of Entitlements

Eligible Shareholders who exercise their Entitlements and subscribe for New Shares and any additional New Shares will acquire those Shares with a cost base for CGT purposes equal to the Issue Price payable by them for those Shares plus any non deductible incidental costs they incur in acquiring them. Eligible Shareholders will not make any capital gain or loss, or derive assessable income, from exercising the Entitlements or subscribing for the New Shares or any additional New Shares.

Lapse of Entitlements

On the basis that no proceeds will be received by Eligible Shareholders who allow their Entitlements to lapse, no income tax consequences should arise for those Eligible Shareholders.

3.3 New Shares and additional New Shares

Taxation of income for Eligible Shareholders

Eligible Shareholders who exercise their Entitlements will acquire New Shares and may acquire additional New Shares. Any future dividends or other distributions made in respect of those New Shares or any additional New Shares will be subject to the same taxation treatment as dividends or other distributions made on Shares held in the same circumstances.

For Eligible Shareholders to be eligible for a tax offset in relation to any franking credits attached to a dividend paid by the Company on the New Shares and any additional New Shares, they will need to hold the New Shares or any additional New Shares at risk for at least 45 days, not counting the day of acquisition or disposal (referred to as the *holding period rule*). The holding period rule generally only needs to be satisfied once for the New Shares and any additional New Shares and will apply in respect of the New Shares and any additional New Shares beginning on the day after the day on which the Eligible Shareholder acquires the New Shares or any additional New Shares. This rule does not apply if the Eligible Shareholder is an individual whose total franking credits entitlement for the year of income of the individual in which the dividend is received is below A$5,000.

Taxation of disposals for Eligible Shareholders

The disposal of New Shares or additional New Shares will give rise to a CGT event for Eligible Shareholders. Eligible Shareholders may make a capital gain or capital loss, depending on whether the capital proceeds of that disposal are more than the cost base or less than the reduced cost base of the New Shares or additional New Shares. The cost base of those Shares is described above, but for these purposes, the cost base should also include a reasonable apportionment of the non deductible incidental costs on disposal and any interest paid in respect of borrowings used to acquire those Shares that was not otherwise deductible to the Eligible Shareholder.

New Shares will be treated for the purposes of the CGT rules as having been acquired when the Eligible Shareholder exercised the Entitlement to subscribe for them. New Shares acquired under the Top Up Offer will be treated for the purposes of the CGT discount as having been acquired when the Company issues or allots those additional New Shares. In order to benefit from the CGT discount that may be available to individuals, trusts and complying superannuation funds in respect of a disposal of the New Shares or any additional New Shares, the New Shares or any additional New Shares must have been held for at least 12 months before disposal.

Taxation of a return of capital by the Company

Where a return of capital is made by the Company, the cost base and reduced cost base of the Eligible Shareholder's New Shares for CGT purposes will be reduced by the amount of the return of capital, with any excess over the cost base triggering a capital gain. In some circumstances, where the Eligible Shareholder disposes of their New Shares or any additional New Shares in the period between becoming entitled to the return of capital and the actual payment of the return of capital, the Eligible Shareholder will generally make a capital gain equal to the amount of the return of capital. The amount returned may also include a dividend component, or be deemed under taxation law to include a dividend component, which will be subject to tax as set out above.

3.4 Goods and Services Tax and Stamp Duty

No Australian GST or stamp duty is payable in respect of the issue or exercise of the Entitlement Offer, nor in respect of the acquisition of New Shares or any additional New Shares under the Entitlement Offer and the Top Up Offer as set out in this Offer Document. Eligible Shareholders may be charged GST on third party brokerage or advisor costs in respect of the issue or exercise of the Entitlement Offer or the acquisition of New Shares or any additional New Shares, depending on their individual circumstances.

4. Underwriting

On or about 12 September 2014, the Company entered into an underwriting agreement with the Underwriters who have agreed to underwrite the Entitlement Offer on the terms and conditions set out in the underwriting agreement (**Underwriting Agreement**).

The Underwriting Agreement contains terms and conditions customary for an agreement of that nature, including warranties and indemnities in favour of the Underwriters.

The Underwriters may immediately terminate the Underwriting Agreement and be released from their obligations under it (in certain circumstances, including having regard to the materiality of the relevant event) by written notice to the Company without cost or liability on any one or more of a number of specified termination events which include the following:

(a) this Offer Document is found to contain a material statement which is false, misleading or deceptive or does not comply with the Corporations Act or any other applicable law;

(b) a representation or warranty given under the Underwriting Agreement by the Company is or becomes untrue or incorrect or the Company is in breach of the Underwriting Agreement and that circumstance has or is reasonably likely to have a material adverse effect on the Entitlement Offer or Placement Shares process or cause a liability for the Underwriters;

(c) any *cleansing notice* given by the Company to ASX in relation to the Entitlement Offer or Placement Shares is or becomes *defective* (as defined in the Corporations Act) or an updated *cleansing notice* is issued and the *defect* or update is adverse from the point of view of an investor;

(d) the Company is in breach or default under any of its material financing arrangements which has a material adverse effect on the Company;

(e) an adverse change occurs in the condition, financial position or prospects of the Group and that circumstance has or is reasonably likely to have a material adverse effect on the Entitlement Offer or Placement Shares process or cause a liability for the Underwriters;

(f) ASIC takes or gives notice of an intention to take action in relation to the Entitlement Offer or Placement Shares process;

(g) any event specified in the timetable for the Entitlement Offer does not occur within 2 business days of that specified event without the prior written consent of the Underwriters;

(h) an insolvency event occurs in relation to a Group member;

(i) the S&P/ASX 200 Index of ASX closes 10% or more lower than its level at market close on the trading date immediately preceding the date of execution of the Underwriting Agreement for two consecutive trading days and that has or is reasonably likely to have a material adverse effect on the Entitlement Offer or Placement Shares process or cause a liability for the Underwriters;

(b) there is a material disruption to the commercial banking activities, financial markets, currency exchanges or political or economic conditions in Australia, the United Kingdom or United States of America and that circumstance has or is reasonably likely to have a material adverse effect on the Entitlement Offer or Placement Shares process or cause a liability for the Underwriters; and

(c) there is an outbreak or major escalation of hostilities not presently existing (whether war has been declared or not) or a significant terrorist act or national emergency declared in Australia, New Zealand, the United Kingdom, the United States of America, Canada, France, Germany, Spain, Italy, Japan, the People's Republic of China or South Korea and that circumstance has or is reasonably likely to have a material adverse effect on the Entitlement Offer or Placement Shares process or cause a liability for the Underwriters.

Please note that the above is not an exhaustive list of the termination events specified in the Underwriting Agreement.

5. Information availability

Eligible Shareholders in Australia and New Zealand can obtain a copy of this information during the period of the Entitlement Offer by calling the Share Registry on 1300 619 376 (within Australia) and +61 3 9415 4283 (outside Australia) between 8.30am to 5.30pm (Sydney time) Monday to Friday during the Entitlement Offer period. A replacement Application and Entitlement Form can be requested by calling the Share Registry.

Glossary

Term	Definition
Applicant	An Eligible Shareholder who applies for New Shares under this Offer Document.
Application	An application for a specified number of New Shares by an Applicant under this Offer Document.
Application and Entitlement Form	The personalised form for participation in the Entitlement Offer attached to or accompanying this Offer Document.
Application Money	Funds accompanying a completed Application and Entitlement Form or funds paid by BPAY®.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited ACN 008 624 691 or the financial market known as the Australian Securities Exchange operated by it, as the context requires.
ASX Listing Rules	The listing rules of ASX.
Board	The Directors acting as a board of the Company.
CGT	Capital Gains Tax.
Closing Date	The date on which the Entitlement Offer closes, expected to be 5pm (Sydney time) on 7 October 2014 or such other date as may be determined by the Company.
Company or Elders	Elders Limited ACN 004 336 636.
Corporations Act	*Corporations Act 2001* (Cth).
Directors	The directors of the Company.
Eligible Shareholder	As defined in section 1.1 of the Entitlement Offer section of this Offer Document.
Entitlement	The number of New Shares each Eligible Shareholder is offered under the Entitlement Offer as specified on their Application and Entitlement Form.
Entitlement Offer	The fully underwritten traditional non-renounceable entitlement offer to Eligible Shareholders as at the Record Date to subscribe for 3 New Shares for every 5 Existing Shares at A$0.15 per New Share.
Excess Amount	Any money in excess of the full amount of Application Money for an Eligible Shareholder's whole Entitlement.
Existing Shares	Shares on issue at the Record Date.
Group	The Company and its related bodies corporate (as defined in section 50 of the Corporations Act.
GST	Good and Services Tax.

Term	Definition
Ineligible Shareholders	Shareholders who do not satisfy the Eligible Shareholder definition.
Investor Presentation	The investor presentation released to ASX on 15 September 2014 and included and forming part of this Offer Document.
Issue Price	The price payable for one New Share under this Offer Document being A$0.15.
New Share	A Share offered and issued under this Offer Document, the terms and conditions of which are set out in this Offer Document, including any additional New Shares under the Top Up Offer.
Non Eligible Foreign Shareholder	A Shareholder with an address in the Company's share register outside Australia or New Zealand, unless the Company is satisfied that it is not precluded from lawfully issuing New Shares to that Shareholder either unconditionally or after compliance with conditions which the Board in its sole discretion regards as acceptable and not unduly onerous.
Offer Period	Opening Date to the Closing Date or any other date as may be determined by the Company.
Opening Date	24 September 2014 or such other date as may be determined by the Company.
Placement Shares	The Shares proposed to be issued to certain institutional and sophisticated investors as announced by Elders to ASX on 15 September 2014.
Record Date	7pm (Sydney time) on 19 September 2014.
Offer Document	This document which was given to ASX on 15 September 2014.
Share	A fully paid ordinary share in the capital of the Company.
Shareholder	A holder of at least one Share as recorded on the Company's share register.
Share Registry	Computershare Investor Services Pty Ltd.
Shortfall	New Shares offered under the Entitlement Offer for which valid Applications have not been received from Eligible Shareholders under their Entitlement on or before the Closing Date.
Sydney time	The time in Sydney, Australia.
Top Up Offer	The offer described in section 1.3 of the Entitlement Offer section of this Offer Document.
Underwriters	Morgans Corporate Limited and Bell Potter Securities Limited.
Underwriting Agreement	As defined in section 4 of the Additional Information section of this Offer Document.
U.S. Securities Act	U.S. Securities Act of 1933, as amended.

Corporate Directory

DIRECTORS

Hutch Ranck (Chairman and Non Executive Director)

Mark Allison (Chief Executive Officer)

James Jackson (Non Executive Director and Deputy Chairman)

Ian Wilton (Non Executive Director)

REGISTERED OFFICE

Level 3, 27 Currie Street

Adelaide

South Australia 5000

SHARE REGISTRY

Computershare Investor Services Pty Ltd

Level 15

115 Grenfell Street

Adelaide SA 5000

COMPANY SECRETARY

Peter Hastings

Nina Abbey

LAWYERS

Minter Ellison

Level 23, Rialto Towers

525 Collins Street

Melbourne VIC 3000

UNDERWRITERS

Morgans Corporate Limited

Level 29, Riverside Centre

123 Eagle Street

Brisbane QLD 4000

Bell Potter Securities Limited

Level 38, Aurora Place

88 Philip Street

Sydney NSW 2000