16 May 2016

Appendix 4D and Financial Statements for the Financial Period Ended 31 March 2016

Elders Limited (ASX: ELD) today reports its results for the half-year ended 31 March 2016.

Attached is the Appendix 4D (Results for announcement to the market), and Financial Statements for the 6 month financial period ended 31 March 2016.

Peter Hastings
Company Secretary



Elders Limited

ABN 34 004 336 636

HALF YEAR REPORT
APPENDIX 4D

31 MARCH 2016

ELDERS LIMITED
APPENDIX 4D (RULE 4.2)
RESULTS FOR ANNOUNCEMENT TO THE MARKET
FOR THE HALF YEAR ENDED 31 MARCH 2016

Attached is the final report for the half year ended 31 March 2016. The consolidated profit after tax attributable to parent entity shareholders was $24.6 million (2015: $15.9 million).

Additional Appendix 4D disclosure requirements can be found in the Directors' Report and the 31 March 2016 half year financial statements.

It is recommended that the half year financial report be read in conjunction with the annual report for the year ended 30 September 2015 and considered together with any public announcements made by Elders Limited during the half year ended 31 March 2016 in accordance with the continuous disclosure obligations of the ASX listing rules.

				6 months March 2016
	Result			$000
Revenue from ordinary operations	up	16%	to	727,802
Profit/(loss) after tax for the year attributable to members	up	55%	to	24,576

Dividends

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

Net tangible assets	**March 2016 $**	March 2015 $
Net tangible asset backing per ordinary security (83,734,671 ordinary shares)	**0.96**	1.04

ELDERS LIMITED
DIRECTORS' REPORT

The Board of Directors of Elders Limited submits its report in respect of the half year ended 31 March 2016.

DIRECTORS' REPORT

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

J H Ranck (Chairman)
M C Allison
J A Jackson
I Wilton
R Clubb

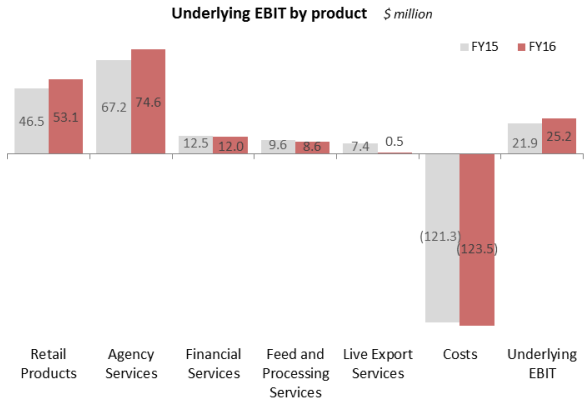
REVIEW AND RESULTS FROM OPERATIONS

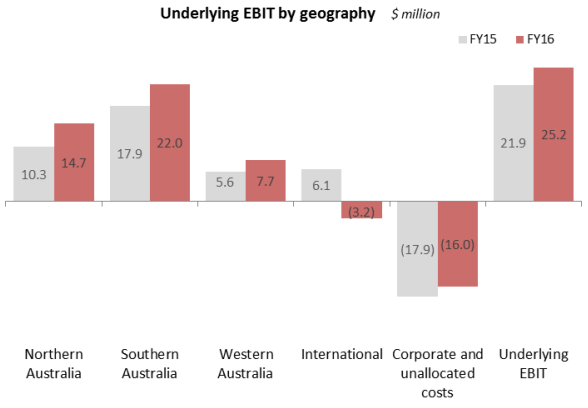
On a reported basis the consolidated profit after tax and before non-controlling interests was $25.4 million (2015: $16.4 million). The consolidated profit after tax and non-controlling interests was $24.6 million (2015: $15.9 million).

The statutory result included a number of items that are unrelated to operating financial results. Measurement and analysis of financial results excluding these items is considered to give a meaningful representation of like-for-like performance from ongoing operations ("underlying profit"). Underlying profit is a non-IFRS measure and is not audited or reviewed. The following table provides a summary of statutory and underlying EBIT and profit outcomes for the half year.

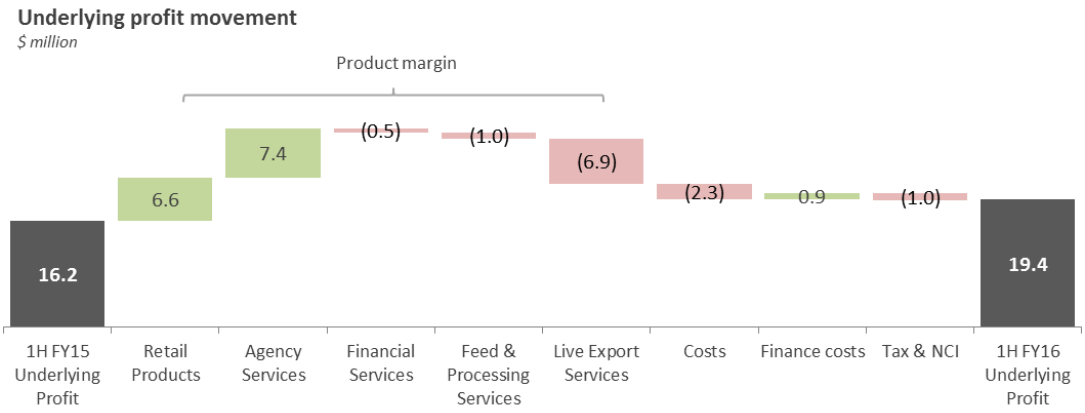
Profit and Loss

$million	**1H FY16**	**1H FY15**	**Change**
Sales	**727.8**	**628.6**	**99.2**
Australian Network	41.1	30.0	11.1
Feed and Processing Services	3.0	5.0	(2.0)
Live Export Services	(2.9)	4.7	(7.6)
Corporate Services and unallocated costs	(16.0)	(17.8)	1.8
Underlying EBIT	**25.2**	**21.9**	**3.3**
Finance costs	(4.0)	(4.9)	0.9
Underlying profit before tax	**21.2**	**17.0**	**4.2**
Tax	(0.9)	(0.3)	(0.6)
Non-controlling interests	(0.9)	(0.5)	(0.4)
Underlying profit to shareholders	**19.4**	**16.2**	**3.2**
Items excluded from underlying profit	**5.2**	**(0.3)**	**5.5**
Reported profit after tax to shareholders	**24.6**	**15.9**	**8.7**





Analysis of movement in underlying profit



The company generated an underlying profit of $19.4 million in the first half of 2016 compared to $16.2 million in 2015. Key factors that impacted the result were:

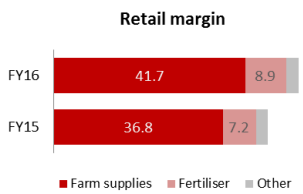
- Retail improvement through increased sales activity.
- Strong performance in Agency services, with continued high cattle prices driving both higher livestock earnings and also real estate sales demand for large cattle farming properties.
- Challenging Live Export trading conditions, particularly in the Long Haul business, and declining margins in the Short Haul business.
- Controlled underlying costs, offset by higher costs through Eight Point Plan investment.

Items excluded from underlying profit (post tax) for the period are as follows:

$million	**1H FY16**	**Commentary**
Mark-to-market of foreign currency hedges	0.5	Unrealised gain on foreign currency contracts due to strengthening of the AUD against the USD
Tax asset adjustment	4.7	Recognition of previously unbooked tax losses based on improved profitability, and provisions for indirect tax assets
Items excluded from underlying profit	**5.2**	

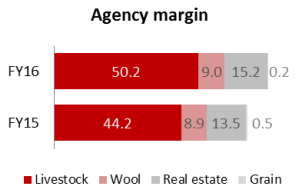
Review of Operations

Retail Products



Retail products outperformed last year across all geographies, especially in cotton growing regions in northern Australia. Rainfall across southern QLD, NSW and western Australia, along with renewed confidence in dryland cotton areas drove increased chemical and fertiliser revenue.

Agency Services



Earnings from Agency services improved on last year with an increase of $7.4 million (11%).

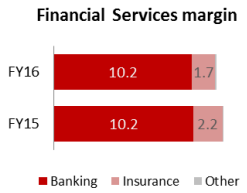
Livestock: Prices have remained strong across the country bolstered by continued robust live export demand, a relatively low Australian dollar and strong domestic restocker demand.

Wool: Earnings and volumes in line with last year.

Real Estate: Broadacre turnover across the country was significantly higher than last year, with low interest rates and sustained high cattle prices driving the market for large cattle farming properties.

Grain: Elders Grain platform launched in the first quarter, with 266,000 tonnes of grain transacted this season. Solid progress was made in the establishing customer and supplier relationships.

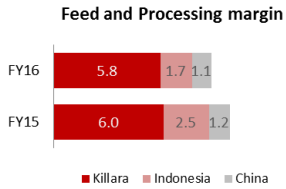
Financial Services



Financial Services revenues have been relatively stable during the period. Banking earnings were in line with last year, with steady new lending activity across the country. Insurance margins were adversely impacted by network access fee adjustments. Gross written premiums remain strong tracking at $287m at half year.

Elders re-acquired 10% of Elders Insurance (Underwriting Agency) from QBE on 1 April 2016 to improve and realign this business. Renewed management are also focussed on driving growth and efficiency initiatives in Financial Services.

Feed and Processing Services



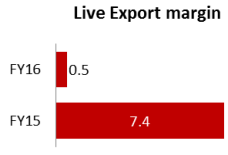
While rising cattle prices are beneficial to the livestock agency business, they have affected our Feed and Processing businesses through higher input costs.

Killara: The feedlot has benefitted from higher volume of principally owned cattle, rather than custom fed, however rising cattle costs continue to tighten margins. The feedlot remains well utilised with occupancy at approximately 88% for the period (FY15: 90%).

Indonesia: The business experienced low margins, especially in the first quarter due to low occupancy levels as a result of the reduced import permits issued last year, for the July to September 2015 period, impacting occupancy in Q1 of the 2016 financial year.

China: Expansion of the client base has seen volume increase, however rising beef prices combined with an appreciating Australian dollar have reduced margins for the business. Geographic expansion across China has resulted in higher costs than last year ahead of associated earnings growth.

Live Export Services

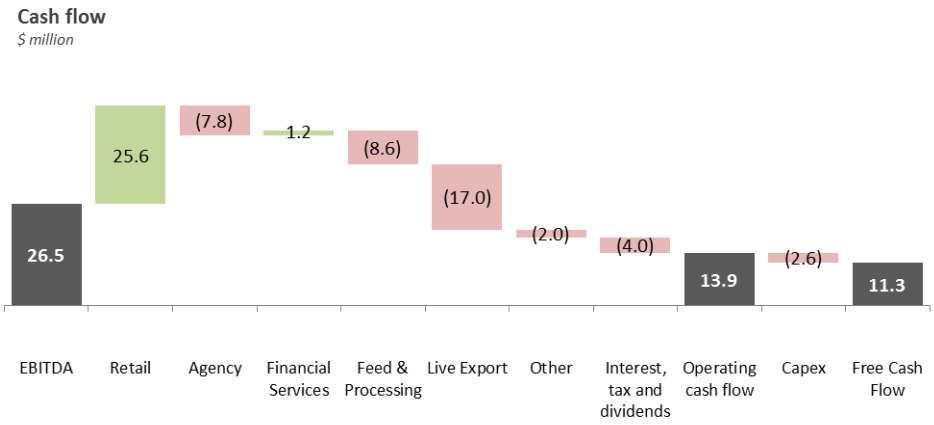


Both the Long Haul and Short Haul businesses have been adversely impacted by high domestic cattle costs and increased competition.

Long Haul: High costs of domestic supply, delays in the finalisation of Chinese import procedures for slaughter cattle and final stock liquidation relating to China dairy cattle adversely impacted the business.

Short Haul: Increased competition in the Vietnam market, higher costs of supply and a strengthening Australian dollar have significantly eroded margins to Vietnam and Indonesia. Number of heads shipped to Vietnam and Indonesia increased 42% and 15% respectively, compared to last year.

Cash Flow



The business generated operating cash flow of $13.9 million for the financial period. Highlights from the cash flow are:

- Strong underlying EBITDA, partly offset by increased working capital usage, translated to positive cash flows for the business
- Working capital usage reflecting:
  - Normal Retail seasonal movements
  - Higher cattle prices and increased principal cattle in Killara feedlot
  - Higher debtor balances for Short Haul Live Export resulting from increased volume shipped at half year

Balance Sheet

Elders' balance sheet and sales results typically follow a seasonal pattern across the year, with working capital levels in particular being influenced by the cycles associated with cropping and livestock production and live export activity. For this reason, balance sheet analysis is best conducted from the perspective of a year-on-year comparison.

$million as at end:	**Mar-16**	**Sep-15**	**Mar-15**
Inventory	127.9	100.3	111.9
Livestock	41.3	45.9	40.8
Trade and other receivables	357.0	349.4	300.7
Trade and other payables	(318.3)	(276.2)	(273.5)
Working capital	**207.9**	**219.5**	**179.9**
Borrowings: working capital and other facilities	141.6	136.5	113.6
Cash and cash equivalents	(15.8)	(0.7)	(27.2)
Net debt	**125.8**	**135.8**	**86.4**
Provisions	41.1	52.3	44.6
Shareholders' equity	128.1	111.6	118.3
Return on capital	21.9%	21.9%	17.8%

Working capital

Key fluctuations in working capital from March 2015 relate to:

- Higher working capital balances in March 2016 as a result of increased activity in the Retail business
- Decreases in livestock balances in Live Export have been offset by the Feed and Processing businesses
- Higher debtor balances for Short Haul Live Export resulting from increased volume shipped at half year

Net debt

Net debt represents working capital facilities, mainly comprised of trade receivables funding for Retail products and Live Export. Increased net debt from March 2015 mainly relates to increased working capital funding requirements.

Return on capital

Return on capital has improved 4.1% compared to last year (on a rolling 12 month basis), key highlights:

- Continued strong Agency earnings, with minimal working capital requirements
- Retail return improved from 6% to 12%
- Offset by reduced return on downstream livestock businesses

Outlook

The outlook for the second half is mixed, however overall improvement on last year's result is expected:

- Retail: The winter cropping outlook for northern and western Australia is positive, with average winter crop production expected in southern Australia.
- Agency: Cattle and sheep prices are expected to remain strong due to tight supply and high demand. Strong activity in rural real estate is expected to continue with interest rates remaining low and large broadacre property sales in the pipeline. Wool revenues are expected to remain stable.
- Financial Services: Focus will be on workforce productivity in Banking. Acquisition of 10% of Elders Insurance in April is expected to boost earnings in the second half.
- Feed and Processing: Killara feedlot margins on principally held cattle are expected to continue to be under pressure from high supply costs. Sales activity is expected to increase in the China operations through new customers, and geographical expansion. Peak activity period for the Indonesian feedlot occurs in the second half, however potential lower than expected cattle import quotas and high supply prices may present challenges. Any appreciation of the Australian dollar will put pressure on all Feed and Processing businesses throughout the second half.
- Live Export: Increased competition and higher supply costs will continue to put pressure on earnings in the Short Haul business. The Long Haul business China feeder slaughter opportunity is expected to become clearer over the next 6 months.
- Cost and capital: Eight Point Plan investment will continue, with incremental benefits expected to materialise throughout the second half. Investment in opportunities with sound return on capital which diversify our revenue base continue to be a priority.

The performance of Elders is, as always, subject to the influence of the seasonal, market and international trade relation factors that affect the Australian farm sector.

ROUNDING OF AMOUNTS

The parent entity is a company of the kind specified in the Australian Securities and Investments Commission class order 98/100. In accordance with that class order, amounts in the consolidated financial statements and the Directors' Report have been rounded to the nearest thousand dollars unless specifically stated to be otherwise.

AUDITOR INDEPENDENCE

The Auditors review of the financial report is in accordance with the declaration on page 21 – "Auditor's Independence Declaration" to the Directors of Elders Limited.

This report has been made in accordance with a resolution of Directors.



J H Ranck
Chairman



M C Allison
Managing Director

Adelaide
16 May 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 MARCH 2016

	Note	**6 months March 2016 $000**	6 months March 2015 $000
Sales revenue	4	**727,802**	628,582
Cost of sales		**(579,657)**	(485,890)
Gross profit		**148,145**	142,692
Equity accounted profits		**568**	339
Distribution expenses		**(107,499)**	(103,154)
Administrative expenses		**(16,031)**	(17,934)
Finance costs		**(4,019)**	(7,894)
Other items of income/(expense)	4	**(370)**	(1,935)
Profit before income tax expense		**20,794**	12,114
Income tax benefit	5	**4,641**	4,253
Profit after income tax expense		**25,435**	16,367
Net profit for the period		**25,435**	16,367
Items that may be reclassified to profit and loss			
Exchange differences on translation of foreign operations		**(882)**	599
Other comprehensive income/(loss) for the period, net of tax		**(882)**	599
Total comprehensive income for the period		**24,553**	16,966
Profit for the period is attributable to:			
Non-controlling interest		**859**	508
Owners of the parent		**24,576**	15,859
		25,435	16,367
Total comprehensive income for the period is attributable to:			
Non-controlling interest		**859**	508
Owners of the parent		**23,694**	16,458
		24,553	16,966
Reported operations			
Basic earnings per share (cents per share)	10	**29.3¢**	19.5¢
Diluted earnings per share (cents per share)	10	**20.7¢**	10.6¢

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2016

	March 2016 $000	September 2015 $000
Current assets		
Cash and cash equivalents	**15,834**	669
Trade and other receivables	**356,945**	349,433
Livestock	**41,319**	45,912
Inventory	**127,908**	100,304
Current tax assets	**-**	197
Total current assets	**542,006**	496,515
Non current assets		
Plantations	**6,367**	5,969
Other financial assets	**1,269**	1,269
Equity accounted investments	**4,110**	4,088
Property, plant and equipment	**29,437**	28,658
Intangibles	**6,429**	5,615
Deferred tax assets	**40,399**	34,800
Total non current assets	**88,011**	80,399
Total assets	**630,017**	576,914
Current liabilities		
Trade and other payables	**314,206**	276,157
Interest bearing loans and borrowings	**141,807**	136,822
Current tax payable	**781**	-
Provisions	**33,178**	43,874
Total current liabilities	**489,972**	456,853
Non current liabilities		
Other payables	**4,059**	-
Provisions	**7,888**	8,432
Total non current liabilities	**11,947**	8,432
Total liabilities	**501,919**	465,285
Net assets	**128,098**	111,629
Equity		
Contributed equity	**1,323,284**	1,323,284
Hybrid equity	**107,600**	107,600
Reserves	**(27,217)**	(19,307)
Retained earnings	**(1,276,586)**	(1,301,213)
Total parent entity equity interest	**127,081**	110,364
Non-controlling interests	**1,017**	1,265
Total equity	**128,098**	111,629

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 MARCH 2016

	6 months March 2016 $000	6 months March 2015 $000
Cash flow from operating activities		
Receipts from customers	**3,203,240**	2,525,006
Payments to suppliers and employees	**(3,185,009)**	(2,510,693)
Dividends received	**546**	-
Interest and other costs of finance paid	**(4,038)**	(5,594)
Income taxes paid	**(880)**	(379)
Net operating cash flows	**13,859**	8,340
Cash flow from investing activities		
Payment for property, plant and equipment	**(2,587)**	(1,529)
Purchase of intangibles	**(270)**	-
Purchase of controlled entity (net of cash acquired)	**(200)**	-
Proceeds from sale of equity accounted investments	**-**	600
Proceeds from sale of property, plant and equipment	**150**	81
Proceeds from sale of intangibles	**620**	-
Net investing cash flows	**(2,287)**	(848)
Cash flow from financing activities		
Proceeds from issue of shares	**-**	47,095
Share issue costs	**-**	(2,376)
Proceeds/(repayment) of borrowings	**4,985**	(46,127)
Partnership profit distributions/dividends paid	**(1,392)**	(1,343)
Net financing cash flows	**3,593**	(2,751)
Net increase/(decrease) in cash held	**15,165**	4,741
Cash at the beginning of the financial period	**669**	22,477
Cash at the end of the financial period	**15,834**	27,218

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 MARCH 2016

$000	Contributed equity	Hybrid equity	Reserves	Retained earnings/ (losses)	Non-controlling interest	Total equity
As at 1 October 2015	**1,323,284**	**107,600**	**(19,308)**	**(1,301,213)**	**1,265**	**111,628**
Profit/(loss) for the period	**-**	**-**	**-**	**24,576**	**859**	**25,435**
Other comprehensive income/(loss):						
Exchange differences on translation of foreign operations	**-**	**-**	**(882)**	**-**	**-**	**(882)**
Total comprehensive income/(loss) for the period	**-**	**-**	**(882)**	**24,576**	**859**	**24,553**
Transactions with owners in their capacity as owners:						
Partnership profit distributions/dividends paid	**-**	**-**	**-**	**-**	**(1,392)**	**(1,392)**
Cost of share based payments	**-**	**-**	**614**	**-**	**-**	**614**
Reallocation of equity	**-**	**-**	**(51)**	**51**	**-**	**-**
Put options provided to non-controlling interests	**-**	**-**	**(7,590)**	**-**	**-**	**(7,590)**
Other	**-**	**-**	**-**	**-**	**285**	**285**
As at 31 March 2016	**1,323,284**	**107,600**	**(27,217)**	**(1,276,586)**	**1,017**	**128,098**
As at 1 October 2014	1,277,813	145,151	(20,069)	(1,347,225)	1,360	57,030
Profit/(loss) for the period	**-**	**-**	**-**	15,859	508	16,367
Other comprehensive income/(loss):						
Exchange differences on translation of foreign operations	**-**	**-**	599	**-**	**-**	599
Total comprehensive income/(loss) for the period	**-**	**-**	599	15,859	508	16,966
Transactions with owners in their capacity as owners:						
Shares issued	47,095	-	-	-	-	47,095
Transaction costs on share issue costs	(1,624)	-	-	-	-	(1,624)
Partnership profit distributions/dividends paid	-	-	-	-	(1,343)	(1,343)
Cost of share based payments	-	-	222	-	-	222
Reallocation of equity	-	-	(225)	225	-	**-**
As at 31 March 2015	1,323,284	145,151	(19,473)	(1,331,141)	525	118,346

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2016

NOTE 1 CORPORATE INFORMATION

The consolidated financial report of Elders Limited for the half year ended 31 March 2016 was authorised for issue in accordance with a resolution of the Directors on 16 May 2016. Elders Limited (the Parent) is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of Elders (including Elders Limited and its subsidiaries) are described in the Directors' Report and note 9. References in this consolidated financial report to 'Elders' are to Elders Limited and each of its controlled entities unless the context requires otherwise.

NOTE 2 BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES

(a) Basis of preparation

The half year consolidated financial statements for the 6 months ended 31 March 2016 have been prepared in accordance with AASB 134 Interim Financial Reporting.

The half year consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with Elders' annual financial statements as at 30 September 2015.

(b) Changes to Elders accounting policies

The accounting policies adopted in preparation of the half year consolidated financial statements are consistent with those followed in the preparation of Elders' annual financial statements for the year ended 30 September 2015, except for the adoption of new standards and interpretations as of 1 October 2015, none of which had any significant impact on the financial position and performance of Elders.

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

NOTE 3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of Elders' consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on various other factors it believes to be reasonable under the circumstances, the result of which forms the basis of the carrying value of assets and liabilities that are not readily apparent from other sources.

Management has identified the following critical accounting policies for which significant judgement, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect the financial result or the financial position reported in future periods.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable the future taxable profit will be available to utilise those temporary differences. Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and the level of future taxable profits together with future tax planning strategies.

Impairment
Elders assesses impairment of assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. These include product performance, technology, climate, economic and political environments and future product expectations. If an impairment trigger exists the recoverable amount of the asset is determined. It is Elders' policy to conduct bi-annual internal reviews for indicators of impairment. If indicators exist, assets are tested for impairment through determination of recoverable amounts of assets using the higher of value in use and fair value less cost to sell.

Elders determines whether the Brand Name is impaired on an annual basis. This requires an estimation of the recoverable amount of the associated cash-generating units, using a value in use discounted cash flow methodology, to which the Brand Name is allocated.

Estimation of useful lives of assets
The estimation of useful lives of assets has been based on historical experience as well as lease terms (for leased assets). In addition, the condition of assets is assessed and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

NOTE 4 REVENUE AND EXPENSES

	6 Months March 2016 $000	6 Months March 2015 $000
Sales revenue		
Sale of goods and biological assets	**611,068**	521,232
Debtor interest associated with sales	**2,607**	2,457
Commission revenue	**114,127**	104,893
	727,802	628,582
Other items of income/(expense)		
Impairment of indirect tax assets	**(900)**	-
Foreign exchange gains/(losses)	**530**	(1,476)
Other	**-**	(459)
	(370)	(1,935)
Depreciation and amortisation	**(1,708)**	(1,469)

NOTE 5 INCOME TAX

A reconciliation of income tax expense applicable to accounting profit/(loss) before income tax at the statutory income tax rate to income tax expense at Elders' effective income tax rate is as follows:

	6 months March 2016 $000	6 months March 2015 $000
Total Accounting profit/(loss) before tax	**20,794**	12,114
Income tax (expense)/benefit at 30% (2015: 30%)	**(6,238)**	(3,634)
Adjustments in respect of current income tax of previous years	**(93)**	(1,449)
Recognition of previously unbooked tax losses	**11,129**	9,316
Other	**(157)**	20
Income tax (expense)/benefit as reported in the statement of comprehensive income	**4,641**	4,253

Tax losses

Elders has tax losses for which no deferred tax asset is recognised in the Statement of Financial Position of $229 million (September 2015: $239.7 million) which are available indefinitely for offset against future taxable profits subject to continuing to meet relevant statutory tests.

NOTE 6 RESERVES

Reconciliation of carrying amounts at beginning and end of period:

	Business combination reserve $000	**Employee equity benefits reserve $000**	**Foreign currency translation reserve $000**	**Total $000**
As at 1 October 2015	**(16,228)**	**459**	**(3,539)**	**(19,308)**
Exchange differences on translation of foreign operations	**-**	**-**	**(882)**	**(882)**
Cost of share based payments	**-**	**614**	**-**	**614**
Transfer to retained earnings	**-**	**(51)**	**-**	**(51)**
Put options provided to non-controlling interests	**(7,590)**	**-**	**-**	**(7,590)**
As at 31 March 2016	**(23,818)**	**1,022**	**(4,421)**	**(27,217)**
As at 1 October 2014	(16,228)	261	(4,102)	(20,069)
Exchange differences on translation of foreign operations	-	-	599	599
Cost of share based payments	-	222	-	222
Transfer to retained earnings	-	(225)	-	(225)
As at 31 March 2015	(16,228)	258	(3,503)	(19,473)

Under agreements entered into with a number of non-controlling interests, the non-controlling shareholders have put options over their interests. These options are exercisable in accordance with the terms of each agreement. The potential liability for Elders under the put options is based on expectations of the exercise price and timing, discounted to present value using Elders' incremental borrowing rate. The recognition of the put options is reflected in the business combination reserve and as a financial liability within current liabilities.

NOTE 7 DIVIDENDS

No dividends are proposed to be paid or were paid during the period (2015: Nil)

NOTE 8 CONTINGENT LIABILITIES

Other than the matter discussed in note 6 in regard to the recognition of put options, there are no other changes to contingent liabilities from that disclosed in note 23 of the September 2015 financial statements.

NOTE 9 SEGMENT INFORMATION

Identification of reportable segments

Elders has identified its operating segments to be Network, Feed and Processing, Live Export and Other. This is the basis on which internal reports are reviewed and used by the Chief Executive Officer (the chief operating decision maker) in assessing performance and in determining allocation of resources. Discrete financial information about each of these operating businesses is reported to the Chief Executive Officer on at least a monthly basis. Elders operates predominantly within Australia. All other geographical operations are not material to the financial statements.

Type of product and service

- Network includes the provision of a range of agricultural products and services through a common distribution channel.
- Feed and Processing includes the Australian cattle feedlot near Tamworth in New South Wales (Killara Feedlot), the Indonesian cattle feedlot near Lampung (PT Elders Indonesia) and Elders Fine Foods which is involved in the importation and distribution of Australian and New Zealand food products throughout China.
- Live Export facilitates principal position trades of dairy, beef feeder, beef slaughter and breeding cattle and sheep from Australia and New Zealand to international markets by sea or air freight.
- The Other segment includes the general investment activities not associated with the other business segments and the administrative corporate office activities, including centrally held costs not allocated to the other segments.

Accounting policies and intersegment transactions

The accounting policies used by Elders in reporting segments internally are the same as those contained in note 2 to the accounts. Segment results have been determined on a consolidated basis and represent the earnings before corporate net financing costs and income tax expense.

	Network	Feed and Processing	Live Export	Other	Total
6 months ended March 2016	**$000**	**$000**	**$000**	**$000**	**$000**
Sales revenue	**521,096**	**75,978**	**130,728**	**-**	**727,802**
Equity accounted profits	**510**	**-**	**58**	**-**	**568**
	521,606	**75,978**	**130,786**	**-**	**728,370**
Earnings before interest, tax, depreciation & amortisation	**42,072**	**3,472**	**(2,912)**	**(16,111)**	**26,521**
Depreciation & amortisation	**(951)**	**(446)**	**(21)**	**(290)**	**(1,708)**
Segment result	**41,121**	**3,026**	**(2,933)**	**(16,401)**	**24,813**
Corporate net interest expense					**(4,019)**
Profit from ordinary activities before tax					**20,794**
As at 31 March 2016					
Segment assets	**440,539**	**62,004**	**48,530**	**78,944**	**630,017**
Segment liabilities	**(270,273)**	**(3,683)**	**(3,216)**	**(224,747)**	**(501,919)**
Net assets	**170,266**	**58,321**	**45,314**	**(145,803)**	**128,098**

NOTE 9 SEGMENT INFORMATION

	Network	Feed and Processing	Live Export	Other	Total
6 months ended March 2015	$000	$000	$000	$000	$000
Sales revenue	468,342	63,865	96,375	-	628,582
Equity accounted profits	339	-	-	-	339
	468,681	63,865	96,375	-	628,921
Earnings before interest, tax, depreciation & amortisation	31,016	5,453	4,693	(19,685)	21,477
Depreciation & amortisation	(893)	(392)	-	(184)	(1,469)
Segment result	30,123	5,061	4,693	(19,869)	20,008
Corporate net interest expense					(7,894)
Profit from ordinary activities before tax					12,114
As at 30 September 2015					
Segment assets	437,817	52,961	31,496	54,640	576,914
Segment liabilities	(246,107)	(2,858)	(2,557)	(213,763)	(465,285)
Net assets	191,710	50,103	28,939	(159,123)	111,629

NOTE 10 EARNINGS PER SHARE

	March 2016	March 2015
Weighted average number of ordinary shares ('000) used in calculating basic EPS	**83,735**	81,319
Dilutive share options ('000)	**34,834**	68,499
Adjusted weighted average number of ordinary shares used in calculating dilutive EPS ('000)	**118,569**	149,818

	March 2016 $000	March 2015 $000
Reported operations		
Basic and dilutive		
Net profit/(loss) attributable to members (after tax)	**24,576**	15,859
Reported operations earnings per share:		
Basic earnings per share (cents per share)	**29.3 ¢**	19.5 ¢
Diluted earnings per share (cents per share)	**20.7 ¢**	10.6 ¢

NOTE 11 SUBSEQUENT EVENTS

On 1 April 2016, Elders re-acquired 10% of Elders Insurance (Underwriting Agency) Pty Limited from QBE. The total consideration for this acquisition was $18m.

Other than the matter described, there is no other matter or circumstance that has arisen since 31 March 2016 which is not otherwise dealt with in this report or in the consolidated financial statements, that has significantly affected or may significantly affect the operations of Elders, the results of those operations or the state of affairs of Elders in subsequent financial periods

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Elders Limited, the Directors declare:

In the opinion of the Directors:

(a) the financial statements and notes of Elders are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of its financial position as at 31 March 2016 and of its performance for the half year ended on that date; and

(ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



J H Ranck
Chairman



M C Allison
Managing Director

Adelaide
16 May 2016

Independent auditor's review report to the members of Elders Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Elders Limited (the company), which comprises the consolidated statement of financial position as at 31 March 2016, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Elders Limited Group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 March 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Elders Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

PricewaterhouseCoopers, ABN 52 780 433 757
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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Elders Limited is not in accordance with the *Corporations Act 2001* including:

1. giving a true and fair view of the consolidated entity's financial position as at 31 March 2016 and of its performance for the half-year ended on that date;

2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

AG Forman
Partner

Adelaide
16 May 2016

Auditor's Independence Declaration

As lead auditor for the review of Elders Limited for the half-year ended 31 March 2016, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Elders Limited and the entities it controlled during the period.



AG Forman
Partner
PricewaterhouseCoopers

Adelaide
16 May 2016

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