16 November 2015

2015 full year financial results and highlights

- **Statutory net profit after tax of $38.3m, up $35.3m from pcp**
- **Underlying profit after tax of $32.6m, up $23.5m**
- **Underlying EBIT of $45.8m, up $18.2m**
- **Return on capital of 21.9%, up from 13.6%**
- **On track with business priorities and Eight Point Plan initiatives**
- **Completed $30m hybrid acquisition**
- **Added into S&P ASX 300 index**
- **Winner of the TMA Large Company Turnaround of the Year Award**

Elders Limited (ASX:ELD) today released its full year results for the 12 months to 30 September 2015 delivering improved statutory and underlying profit, and progress with business initiatives.

Statutory net profit after tax of $38.3 million compares with a $3.0 million profit in the previous year. Underlying net profit has improved $23.5 million on the prior corresponding period to $32.6 million.

An $18.2 million improvement at the underlying earnings before interest and tax (EBIT) level, to $45.8 million, was largely due to strong livestock agency performance, uplift in retail earnings, and increases in feed and processing efficiencies.

Elders' Chief Executive Officer Mark Allison said the FY15 results reflected the Company's focus on performance and delivering business priorities.

"Elders is rising to the challenge of new priorities, new expectations and a new level of performance, resulting in another year of incremental improvement," Mr Allison said.

"Our retail arm saw a $3.7 million improvement on last year, due to increased winter crop demand and gains from strategic initiatives such as price book management and the consolidation of our supplier base," he said.

"A $16.3 million improvement in the agency services business was driven by an increase in livestock prices, and an increase in cattle and wool volumes."

"Improved efficiency and occupancy in Killara Feedlot, along with a refocused business model in China saw a further $3.1 million improvement in the feed and processing services business on last year's results."

"Net underlying finance costs reduced by $5.7 million on last year with lower average net debt in 2015."

“Strong results from our capital light streams namely livestock agency and short haul live export supported us in delivering a strong 21.9% return on capital compared to 13.6% last year.”

An operating cash outflow of $5.3 million reflected the strong operating EBITDA cash flow, which was offset by cash outflows required to normalise low working capital levels from the end of FY14.

As part of our initiative to simplify Elders’ capital structure, Elders Finance Pty Ltd acquired 375,000 Elders Hybrid securities (being 25% of the hybrids on issue) for a total of $30 million in August 2015.

Mr Allison said after seven successive years of debt reduction, FY15 saw Elders reach a level of zero term debt - a key milestone for the business.

“Our hard work and progress throughout the year was recognised by the Turnaround Management Association, which awarded us the Large Business Turnaround of the Year Award,” Mr Allison said.

“Elders can now focus on directing our cash flow back into Eight Point Plan initiatives – and ultimately reinvigorate and strengthen the business to grow earnings and returns,” he said.

“Whilst Elders turnaround has been profound, we’re now looking into the future with our focus firmly set on growth,” he said.

Mr Allison said Elders continues to deliver against business priorities and its Eight Point Plan.

“Thanks to all of our dedicated employees, significant progress has been made in building a high safety and operational performance culture within the business, which is evident in our results,” Mr Allison said.

“We are focussed on driving efficiency and performance through a range of programs including 90 day branch improvement plans, new retail and livestock channels, branded meat products, and the exploration of new live export markets” he said.

“In the past 12 months we’ve renewed key relationships with clients, suppliers, investors, local communities and our employees.”

“Our own people have been the main drivers in identifying and delivering strategies aligned to our client and customer base, and the Eight Point Plan.”

“Whilst our business and our employees are geographically spread, it is clear that Elders is cohesively working towards the same goal of building value for all our stakeholders.”

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Further information
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Conference call and presentation
Details for the conference call and webcast slide presentation are as follows:

Conference call	Webcast slide presentation
10.00am (AEDT) Monday, 16 November 2015	Register, view and listen to webcast
Phone: 1800 908 299 Quote conference ID: 626793	This webcast will stream the audio, so if you do not wish to ask a question, you do not have to call into the conference call. Note: the slide presentation will not be available until the presentation is scheduled to begin but you can use this link to test your browser.