# Capital Raising Presentation

17 June 2016

- Placement and 1 for 4 Non-Renounceable Rights Issue
- On-market acquisition of all Non-controlled ELDPA Hybrids

Elders

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Where the relevant person under Section 275 of the SFA subscribing for or purchasing the New Shares is:

(a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor,

securities (as defined in Section 239(1) of the SFA) (the “Securities”) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred for six months after that corporation or that trust has acquired the New Shares pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor under Section 274 of the SFA or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that the Securities of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;

(2) where no consideration is or will be given for the transfer; or

(3) where the transfer is by operation of law.

Where the New Shares are initially subscribed or purchased pursuant to an offer made in reliance on an exemption under Sections 274 or 275 of the SFA, these New Shares can only be sold, within the period of six (6) months from the date of the initial acquisition, to institutional investors, relevant persons or any person pursuant to an offer referred to in Section 275(1A) of the SFA.

*New Zealand*

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the FMC Act and the Securities Act (Overseas Companies) Exemption Notice 2013.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

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# Transaction Details

# Transaction overview

- Elders Limited ("Elders" or the "Company") is undertaking a fully underwritten $102.4 million capital raising of fully paid ordinary shares in Elders ("New Shares") at $3.40 per New Share consisting of:
  - $25.0 million Placement to institutional investors ("Placement"); and
  - $77.4 million 1 for 4 Non-Renounceable Rights Issue to existing shareholders ("Rights Issue" or "Offer"), plus a capped top-up facility to apply for additional shares [1]
- Funds raised will be used by Elders' wholly-owned subsidiary, Elders Finance Pty Ltd ("Elders Finance"), to make an on-market offer to purchase all Non-controlled Elders Hybrids (ASX: ELDPA) ("Hybrids") at $95.00 per Hybrid for a total consideration of $106.9 million ("Hybrid Acquisition"). Excess funds, if any, will be used for costs associated with the Placement and Rights Issue, general working capital and potential acquisition opportunities
- Elders has binding pre-commitments totalling $27.9 million from 4 large Hybrid holders to sell their Hybrids into the on-market Hybrid Acquisition
- The Company intends to pay fully franked dividends for FY17 of up to 35% of underlying NPAT [2]

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[1] Subject to the Allocation Policy and Elders' absolute discretion (refer to the Glossary for further details)

[2] Dividends will be franked to the extent franking credits are available. The current balance of franking credits available is $21.6 million. Payment of dividend is subject to the outcome of the on-market offer to purchase the Non-controlled Hybrids

# Key highlights for shareholders

- ☑ Substantial removal of Hybrids in line with planned simplified capital restructure
- ☑ Strengthened balance sheet with additional equity and improved leverage ratio
- ☑ Leverage ratio brought into line with ASX peers
- ☑ Ability to invest in organic growth targeting return on capital ("ROC") [1] of circa 20%
- ☑ Capacity to pursue pipeline of "bolt on" accretive and complementary acquisitions
- ☑ Intend to commence fully franked dividends for FY17 (up to 35% underlying NPAT payout ratio) [2]
- ☑ $247 million of tax losses
- ☑ $21.6 million of franking credits available allows franking of $50.4 million of dividends at 30% tax rate
- ☑ Positive outlook for Elders' Australian businesses, with Live Export to remain under pressure

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[1] ROC = Underlying EBIT / (working capital + investments + property, plant and equipment + intangibles (excluding brand name) – provisions (excluding forestry related))

[2] Subject to the outcome of the on-market offer to purchase the Non-Controlled Hybrids

# Key highlights for Hybrid holders

- ☑ Cash offer available to all Hybrid holders immediately
- ☑ Simple structure – sell on market and receive proceeds in 2 business days
- ☑ $95.00 per Hybrid offer price represents:
  - 6.7% premium to last trading price of $89.00 on 14 June 2016
  - 20.3% premium to 12 month VWAP of $78.98
  - Highest trading price since 18 January 2008
- ☑ Offer due to expire in one month on 15 July 2016 [1]

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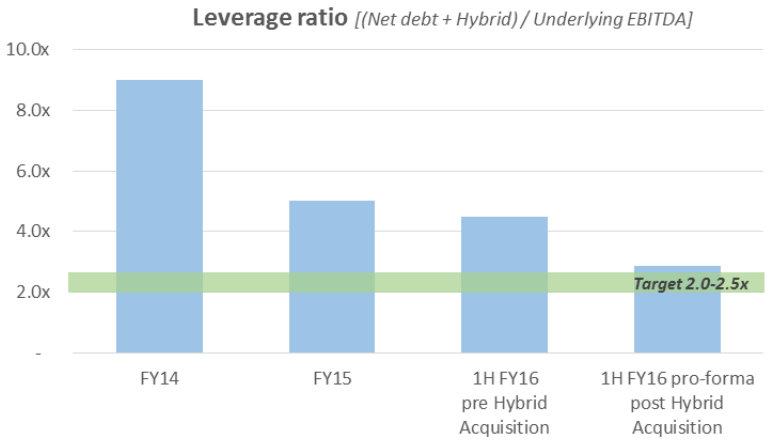
[1] Subject to change without notice

# Strengthened balance sheet

- Strengthened balance sheet brings leverage ratio closer in line with peers
- Targeting future Net Debt/EBITDA in range of 2.0-2.5x
- Targeting interest coverage to exceed 5.0x (EBIT/interest)




*Ratios calculated based on net debt and Hybrid balances reported for the relevant financial periods*

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# Franked dividends for FY17

- Intend to recommence payment of dividends for FY17 [1]
- Targeting a payout ratio of up to 35% of underlying NPAT on an annualised basis
- Dividend to be fully franked in the short term – $21.6 million franking credits currently available
- After all existing franking credits are exhausted, Elders intends to continue to pay partly franked or unfranked dividends and will consider other appropriate capital management options at that time

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[1] Subject to the outcome of the on-market offer to purchase the Non-controlled Hybrids

# Investing in growth

- Strengthened balance sheet increases the capacity to invest in organic and acquisition growth
- Focus on areas of core strength
- Priority growth areas – Real Estate, Livestock, Financial Services, capital light Retail
- Maintain discipline on group ROC at circa 20%
- Pipeline of “bolt on” candidates at attractive multiples circa 4-6x EBIT
- Acquisitions are expected to:
  - Be EPS positive and accretive
  - Drive improved shareholder returns
- Organic growth to be funded from free cash flow (minimal tax paid) and balance sheet strength

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# Focused on delivering shareholder value

| Criteria | 2013 | Pre hybrid acquisition | After hybrid acquisition |
|---|---|---|---|
| Profitable | ✗ | ✓ | ✓ |
| Focused business strategy | ✗ | ✓ | ✓ |
| Balance sheet strength | ✗ | ✗ | ✓ |
| Simplified capital structure | ✗ | ✗ | ✓ |
| Capacity to undertake acquisitions | ✗ | Limited | ✓ |
| Payment of dividends | ✗ | ✗ | ✓ |
| Broad investor appeal | ✗ | ✗ | ✓ |
| ROC circa 20% | ✗ | ✓ | ✓ |
| Capital management flexibility | ✗ | ✗ | ✓ |

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# Capital Raising

# Capital raising overview

*Fully underwritten $102.4 million capital raising at $3.40 per New Share used to fund the on-market offer to purchase all Non-controlled Hybrids [1]*

| | |
|---|---|
| **Placement** | ▪ Placement of 7.35 million shares at an offer price of $3.40 per New Share to raise $25.0 million<br>▪ Placement shares will rank equally with the existing ordinary shares and be eligible to participate in the Rights Issue |
| **Rights Issue** | ▪ 1 for 4 non-renounceable Rights Issue at an offer price of $3.40 to raise $77.4 million<br>▪ Capped top-up facility for additional New Shares [2]<br>▪ Shareholders on the record date of 7:00pm (AEST) on 21 June 2015 will be eligible to participate in the Rights Issue |
| **Offer price** | ▪ $3.40 per New Share, being a discount of:<br>  ▪ 6.3% to closing price of shares traded on 14 June 2016<br>  ▪ 5.1% to theoretical ex-rights price (“TERP”) |
| **Underwriting** | ▪ Placement and Rights Issue is fully underwritten by Bell Potter Securities Limited and Morgans Corporate Limited |

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[1] Excess funds, if any, will be used for costs associated with the Placement and Rights Issue, general working capital and potential acquisition opportunities

[2] Subject to the Allocation Policy and Elders' absolute discretion (refer to the Glossary for further details)

# Capital structure pro-forma

| ASX Code | ELD | ELDPA |
|---|---|---|
| Currently on issue | 83,734,671 | 1,500,000 |
| Placement shares | 7,350,000 | - |
| Rights Issue shares [1] | 22,771,168 | - |
| Currently held by Elders Finance | - | (375,000) |
| On-market acquisition | - | (1,125,000) |
| Post capital raise shares on issue | 113,855,839 | see Note below |
| **Market capitalisation (at $3.40 per share)** | **$387.1 million** | |

Note: It is the intention of Elders Finance to proceed to acquire all outstanding Non-controlled Hybrids and, if that is achieved, to seek to have the ELDPA securities cancelled

[1] Calculated on the basis that the Placement shares issued will participate in the Rights Issue

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# Indicative timetable

| Event | Date |
|---|---|
| Trading halt announced for ELD and ELDPA | Wednesday, 15 June 2016 |
| Placement completed, capital raising announced, on-market Hybrid Acquisition placed for ELDPA and shares recommence trading | Friday, 17 June 2016 |
| Shares trade “ex” entitlements and Placement shares settled | Tuesday, 21 June 2016 |
| Placement shares commence trading and record date to determine entitlement offer eligibility | Wednesday, 22 June 2016 |
| Rights Issue opens and despatch of documents | Monday, 27 June 2016 |
| Rights Issue closes | Wednesday, 6 July 2016 |
| Rights Issue shares allotted and despatch of shareholding statements | Wednesday, 13 July 2016 |
| Rights Issue shares commence trading | Thursday, 14 July 2016 |
| On-market hybrid acquisition for ELDPA closes | Friday, 15 July 2016 |

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*Timetable subject to change without notice*

# Key Risk Factors

# Key risk factors

- **Introduction**
  - Before applying for New Shares, applicants should consider whether the New Shares are a suitable investment having regard to their own personal circumstances. 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.

- **Risks associated with the Hybrids**

  The funds raised by the issue of the New Shares will predominantly be used to fund Elders Finance to acquire on-market, from parties other than Elders' controlled entities, Hybrids that were issued pursuant to a replacement prospectus dated 28 February 2006. Before applying for New Shares, applicants should be familiar with the terms of issue of the Hybrids.

  This Presentation assumes all Hybrids will be acquired. It is likely that not all Hybrid holders ("Holders") will sell their Hybrids to Elders Finance. If this is the case, Elders will continue to be subject to obligations to external Holders under the Hybrid terms of issue, including without limitation the following:

  - ***Hybrid distribution priority***: Under the terms of the Hybrids, the 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.

    As Elders has not paid Distributions in the previous 12 months, 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 paying Distributions in full to Holders for a period of 12 months.

    If calculated at 6 June 2016, 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 $4.91 per hybrid. This assumes a fully franked Distribution and is based on interest rate of 7.01% 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. Elders announced to ASX on 27 April 2016 that it would not remarket the Hybrids and that the margin would step up an additional 2.5%.

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# Key risk factors

- ***Hybrid preference on winding up***: As detailed in the Hybrid terms, on the winding up of Elders each Holder will in respect of each Hybrid held by the Holder be entitled to 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.

- **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.

- **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 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, weather and climatic conditions.

  - ***Climatic conditions***: Elders' business is sensitive to 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 demand for goods and services provided by Elders and, therefore, adversely affect the operation of Elders' business.
  - ***Movements in commodity prices, real estate prices and other factors***: Movements in international commodity prices, real estate prices, exchange rates and a decrease in the volume of Australian rural production could adversely affect Elders' margins.
  - ***Health and safety of agricultural products***: Biosecurity threats to the health and safety of agricultural products and livestock (for example bovine spongiform encephalopathy (BSE) in respect of cattle, other disease, pestilence and forces of nature) may adversely affect Elders' business.
  - ***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 or import bans or embargos which, together with availability or oversupply of shipping and counterparty defaults may reduce Elders' competiveness, or ability to operate, in international markets and which might also affect domestic supply markets. In addition, the livestock export industry may be subject to adverse publicity (for example, as a result of animal welfare concerns or the activities of animal rights activists). Such publicity may affect government policy and the regulations imposed on livestock exporters such as Elders. In addition, the change in policy or regulations may adversely impact on the financial performance of Elders.
  - ***Government subsidies:*** Subsidies given to foreign rural producers may adversely affect the competitive position of Australian rural outputs in both domestic and international markets.
  - ***Rural loans:*** Any of the above factors may also affect the ability of borrowers to borrow and service rural loans. This may adversely affect Elders' earnings from financial product distribution and the value of securities held against rural loans.

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# Key risk factors

- **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.
  - ***Loss of key personnel:*** Elders' profitability may be restricted by the loss of key management personnel who have particular expertise in a market in which Elders operates.
  - ***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.
  - ***Licences and Authorisations:*** Many of Elders' activities are regulated and require licences or authorisations to operate (for example real estate and stock and station agents licences and export authorisations). Withdrawal of any such licence or authorisation would have an adverse impact on revenue and profit derived from the activity subject to that licence or authorisation.

- **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 economic 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 Australian and international investment markets, international economic conditions, global geopolitical 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.

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# Key risk factors

- **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.
  - ***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 not having been paid in respect of outstanding Hybrids. Assuming Elders is in a position to pay dividends, 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, at the 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.

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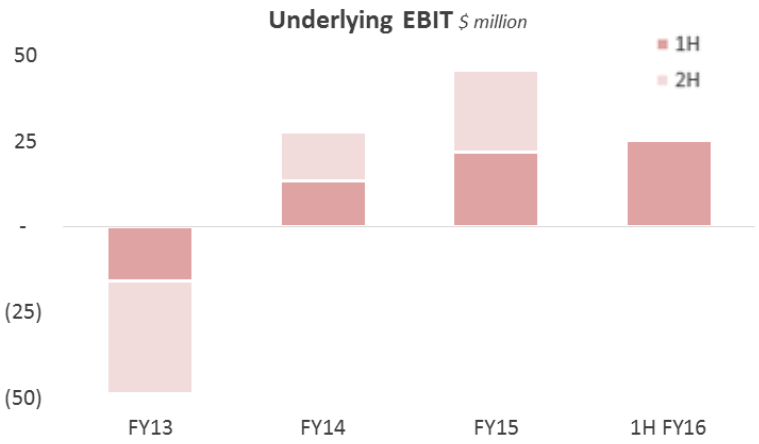
# Appendix

# Our journey

- **FY08 to FY13 – Survival**
  - Deleveraging debt through divestment of non-core assets

- **FY13 to FY15 – Turnaround**
  - Focus on core agribusiness
  - Eight Point Plan embedded
  - Board and leadership refresh

- **FY16 to FY20 – Growth**
  - Embracing growth phase
  - Company and industry fundamentals solid




Elders Live it.

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# Elders today

*Focused Australian agribusiness*

- Iconic Australian agribusiness
- Over 177 years old
- 1,800 employees
- 440 points of presence across Australia, Indonesia, Vietnam and China
- Diversified revenue streams
- Board and management with deep agribusiness experience
- Stable growth platform

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# Business model

## Retail Products

- Farm Supplies
- Fertiliser

$926m retail sales

505k tonnes fertiliser

## Agency Services

- Livestock
- Real Estate
- Wool
- Grain

9.4m head sheep

1.7m head cattle

$1.4b real estate turnover

364k wool bales

0.4m grain tonnes

## Financial Services

- Banking
- Insurance

$2.7b loan book

$1.4b deposit book

$566m gross written premium

Principal positions are held by Rural Bank and Elders Insurance (QBE subsidiary) respectively

## Feed & Processing Services

- Killara Feedlot
- Elders Indonesia
- Elders China

| | |
|---|---|
| Killara | 50k head |
| Indonesia | 17k head |
| China | $13m sales |

## Live Export Services

- Short haul livestock
- Long haul livestock

119k head short haul

33k head long haul

## Online Platforms

- Elders Online
- Auctions Plus (50%)
- Livestock.com.au

*Based on FY15 statistics*

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# Product by Market gap analysis

*Key growth potential by product and markets*

| Product / Market | Farm Supplies | Fertiliser | Livestock | Wool | Grain | Real Estate | Banking | Insurance | Fee for Service |
|---|---|---|---|---|---|---|---|---|---|
| Broadacre cropping | | | | | ◎ | | | ◎ | |
| Sugar cane | ◎ | ◎ | | | | ◎ | ◎ | ◎ | ◎ |
| Tropical horticulture | ◎ | ◎ | | | | ◎ | ◎ | ◎ | ◎ |
| Temperate horticulture | ◎ | ◎ | | | | ◎ | ◎ | ◎ | ◎ |
| Cotton / Rice | ◎ | ◎ | | | | ◎ | ◎ | ◎ | |
| Commercial livestock | ◎ | | ◎ | ◎ | | | | | ◎ |
| Dairy | ◎ | ◎ | ◎ | | | | ◎ | ◎ | ◎ |

◎ Significant gap and/or opportunity

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# Product by Geography gap analysis

*Key growth potential by product and geography*

| Product / Geography | Farm Supplies | Fertiliser | Livestock | Wool | Grain | Real Estate | Banking | Insurance | Fee for Service | Fine Food |
|---|---|---|---|---|---|---|---|---|---|---|
| Northern Territory | | | | | | | ⊙ | ⊙ | ⊙ | |
| Queensland | ⊙ | ⊙ | | | | ⊙ | ⊙ | ⊙ | ⊙ | |
| New South Wales | ⊙ | ⊙ | | ⊙ | ⊙ | ⊙ | ⊙ | ⊙ | ⊙ | |
| Victoria | ⊙ | ⊙ | ⊙ | | ⊙ | | ⊙ | | ⊙ | |
| Tasmania | ⊙ | ⊙ | ⊙ | ⊙ | | ⊙ | ⊙ | ⊙ | ⊙ | |
| South Australia | ⊙ | ⊙ | | | ⊙ | | ⊙ | | ⊙ | |
| Western Australia | | ⊙ | | | | ⊙ | | | ⊙ | |
| ASEAN | | | | | | | | | | ⊙ |
| China | | | | | | | | | | ⊙ |

⊙ Significant gap and/or opportunity

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# Pro-forma Balance Sheet

| *$ million* | As at 31 March 2016 | Elders Insurance Acquisition | Net proceeds from capital raising | Acquisition of Hybrids | Pro-forma Balance Sheet as at 31 March 2016 |
|---|---|---|---|---|---|
| **Current assets** | | | | | |
| Cash and cash equivalents | 15.8 | - | 97.8 | (106.9) | 6.7 |
| Trade and other receivables | 357.0 | - | - | - | 357.0 |
| Livestock | 41.3 | - | - | - | 41.3 |
| Inventory | 127.9 | - | - | - | 127.9 |
| **Total current assets** | **542.0** | - | 97.8 | (106.9) | **532.9** |
| **Non current assets** | | | | | |
| Plantations | 6.4 | - | - | - | 6.4 |
| Other financial assets | 1.3 | 18.0 | - | - | 19.3 |
| Equity accounted investments | 4.1 | - | - | - | 4.1 |
| Property, plant and equipment | 29.4 | - | - | - | 29.4 |
| Intangibles | 6.4 | - | - | - | 6.4 |
| Deferred tax assets | 40.4 | - | - | - | 40.4 |
| **Total non current assets** | **88.0** | 18.0 | - | - | **106.0** |
| **Total assets** | **630.0** | 18.0 | 97.8 | (106.9) | **638.9** |
| **Current liabilities** | | | | | |
| Trade and other payables | 314.2 | - | - | - | 314.2 |
| Interest bearing loans and borrowings | 141.8 | 18.0 | - | - | 159.8 |
| Current tax payable | 0.8 | - | - | - | 0.8 |
| Provisions | 33.2 | - | - | - | 33.2 |
| **Total current liabilities** | **490.0** | 18.0 | - | - | **508.0** |
| **Non current liabilities** | | | | | |
| Other payables | 4.0 | - | - | - | 4.0 |
| Provisions | 7.9 | - | - | - | 7.9 |
| **Total non current liabilities** | **11.9** | - | - | - | **11.9** |
| **Total liabilities** | **501.9** | 18.0 | - | - | **519.9** |
| **Net assets** | **128.1** | - | 97.8 | (106.9) | **119.0** |
| **Equity** | | | | | |
| Contributed equity | 1,323.3 | - | 97.8 | - | 1,421.1 |
| Hybrid equity | 107.6 | - | - | (107.6) | - |
| Reserves | (27.2) | - | - | - | (27.2) |
| Retained earnings | (1,276.6) | - | - | 0.7 | (1,275.9) |
| **Total parent entity equity interest** | **127.1** | - | 97.8 | (106.9) | **118.0** |
| Non-controlling interests | 1.0 | - | - | - | 1.0 |
| **Total equity** | **128.1** | - | 97.8 | (106.9) | **119.0** |

**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 2016 of the following events as though they had occurred on 31 March 2016:

- Acquisition of 10% of Elders Insurance (Underwriting Agency) Pty Limited for $18.0 million ("Insurance Acquisition");
- Gross underwritten proceeds from capital raising of $102.4 million has been successful, less expected costs of $4.6 million; and
- Acquisition of 1.125 million Hybrids at $95.00 per Hybrid.

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 2016 to the date of this Presentation.

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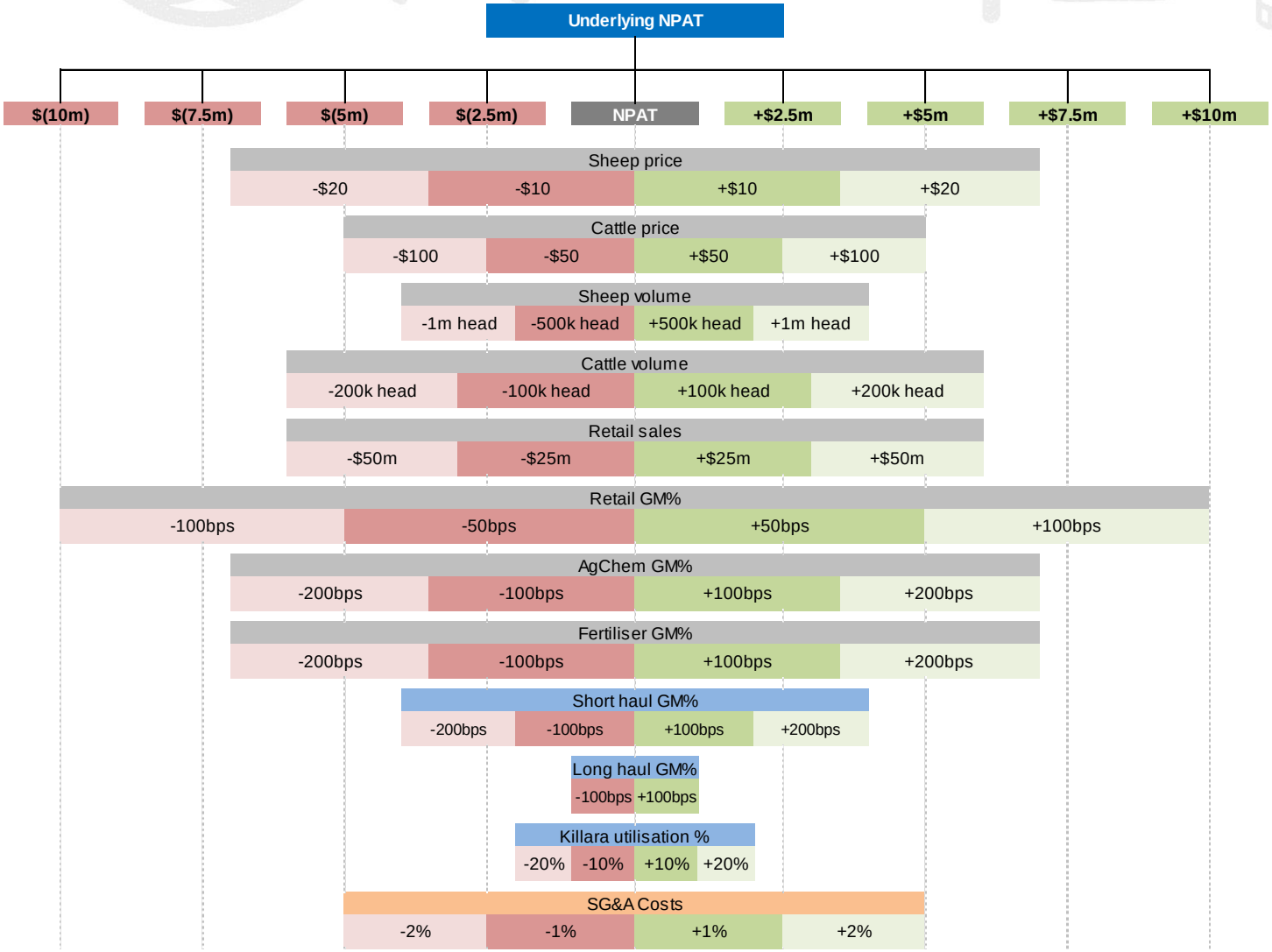
# Profit sensitivity

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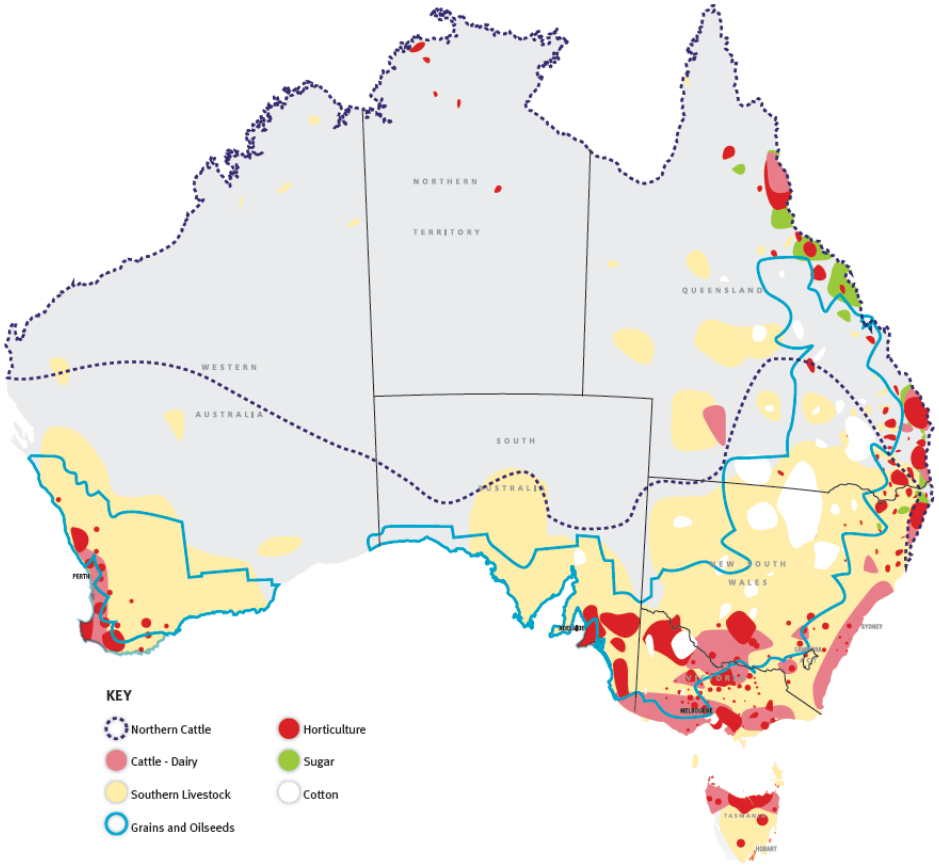
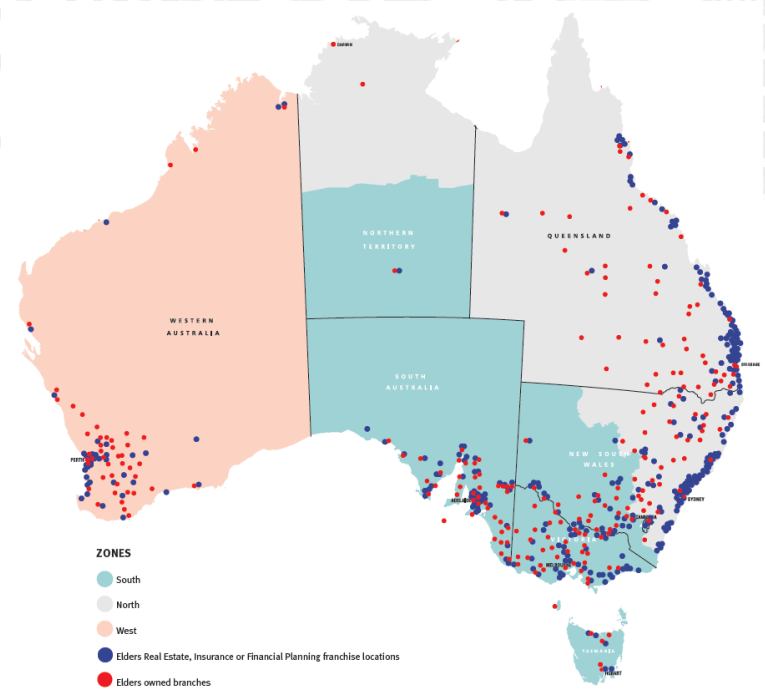
# Points of presence

*Elders' footprint in Australian agriculture*




- Over 440 points of presence in Australia and overseas including full service branches, real estate and insurance franchises
- Key produce areas covered through our footprint
- Focus on improving reach into horticulture and sugar segments

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# Glossary

| Term | Meaning |
|---|---|
| Allocation Policy | The allocation policy is that each eligible shareholder that takes up their entitlement in full will be allocated additional New Shares for which the eligible shareholder subscribes under the top-up facility that is the lesser of:<br>(a) the number of additional New Shares subscribed for under the top-up facility; and<br>(b) the greater of:<br>(i) $5,000 of additional New Shares (1,471 additional New Shares at the issue price per additional New Share of $3.40) and<br>(ii) 20% of the eligible shareholder's entitlement.<br><br>New Shares in excess of entitlements will only be allocated to eligible shareholders if and to the extent that Elders determines in its absolute discretion based on the allocation policy referred to above. Any New Shares in excess of entitlements will be limited by the allocation policy and also to the extent that there are sufficient New Shares from eligible shareholders who do not take up their full entitlements (noting Elders may apply any scale-back in its absolute discretion). |
| Corporations Act | Corporations Act 2001 (Commonwealth) |
| Debt Portion | Has the meaning set out in the “Futuris Hybrids replacement prospectus” dated 28 February 2006 |
| EBIT | Earnings before interest and tax |
| EBITDA | Earnings before interest, tax, depreciation and amortisation |
| Eight Point Plan | Elders’ 3 year strategic objectives announced to ASX on 28 July 2014 |
| EPS | Earnings per share |
| Net Debt | Interest bearing loans and borrowings less cash and cash equivalents |
| Non-controlled | All Hybrids not owned by Elders Finance |
| NPAT | Net profit after tax |

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# Glossary

| Term | Meaning |
|---|---|
| Preference Share | Has the meaning set out in the "Futuris Hybrids replacement prospectus" dated 28 February 2006 |
| ROC | Return on capital<br><br>ROC = Underlying EBIT / (working capital + investments + property, plant and equipment + intangibles (excluding brand name) – provisions (excluding forestry related)) |
| TERP | Theoretical Ex-Rights Price is a deemed value which is attributed to a company's share immediately after a rights issue transaction occurs.<br>TERP = (market value of shares prior to Rights Issue + gross cash raised from Rights Issue) / number of shares after Rights Issue<br>The theoretical ex-rights price is a theoretical calculation only and the actual price at which Elders' ordinary shares trade immediately after the ex-date for the Rights Issue will depend on many factors and may not be equal to the theoretical ex-rights price. |
| VWAP | The volume weighted average price at which Hybrids are traded on ASX in the trading period between 15 June 2015 and 14 June 2016 |

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# Corporate information

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