



23 February 2017

Hybrid Realisation

- Elders to realise all Elders Hybrids on 30 March 2017 by way of resale
- Elders Hybrids to be redeemed following resale
- Resale and redemption simplifies capital structure to one listed security, Elders fully paid ordinary shares
- Elders re-affirms intention to resume ordinary dividends in December 2017

Elders Limited (ASX:ELD) has today given a notice to each holder of Elders Hybrids (ASX: ELDPA) (**Hybrids**) that it will realise all Hybrids by way of resale on 30 March 2017 (**Realisation Date**). A sample copy of that notice and the resale timetable is attached.

The resale process is set out in the Terms of the Futuris [as Elders was then known] Hybrids contained in a replacement prospectus dated 28 February 2006 (**Terms**). A copy of the prospectus is available on the Elders' online investor centre (<http://investors.elderslimited.com/investor-centre/>) under the menu item "Hybrids". As required by the Terms, Elders Limited will sell the Hybrids on behalf of Hybrid holders to the purchaser. Under the Terms, each Hybrid holder is irrevocably taken to offer to sell its Hybrids to the purchaser and, therefore, no action is required of Hybrid holders, other than to advise bank account details if they wish.

Realisation of the Hybrids may happen at Elders' election by way of conversion or resale. Regulation applicable to the particular circumstances of the Hybrids makes resale the better realisation option. Accordingly, Elders has selected that option.

As a consequence of resale, each Hybrid holder will receive net proceeds of sale for each Hybrid equal, in aggregate, to the issue price of the Hybrids (\$100.00) plus the unpaid amount of distributions in the preceding 12 months (\$8.48). The amount equal to the unpaid amount of distributions in the preceding 12 months has been grossed up as required by clause 2.3 of the Terms to reflect franking credits not received by Holders in connection with those unpaid distributions.

The purchaser of the Hybrids will be Elders Management Services Pty Ltd a wholly owned subsidiary of Elders Limited.



Elders Finance Pty Ltd, a wholly owned subsidiary of Elders, holds 1,080,585 Hybrids representing 72.04% of the number on issue. Elders Finance is required by the issuer realisation notice given to it to sell its Hybrids to Elders Management Services Pty Ltd.

After acquisition, Elders Management Services Pty Ltd will own 100% of all the Hybrids on issue. Elders Limited will then move to redeem all Hybrids and terminate the Hybrid trust. After these steps, the Hybrids will cease to exist.

The Hybrids will continue to be quoted by ASX until the end of trading on Friday 17 March 2017. Elders will suspend the Hybrid register on and from cessation of quotation of the Hybrids. Elders will determine the entitlement of each Hybrid Holder on the register after the close of trading on Tuesday 21 March 2017.

Elders Chief Executive Officer, Mark Allison, said, "removal of the Hybrids is a step of fundamental importance to Elders and its shareholders. This process will simplify the Company's capital structure into one class of listed securities, being the fully paid ordinary shares. As we have previously announced, Elders intends to resume dividends on the ordinary shares in December 2017. Dealing with the Hybrids now removes what would have become, had distributions been resumed, an expensive instrument."

Mr Allison noted that the capital raising conducted by Elders in July 2016 had been for the express purpose of acquiring the Hybrids and that realisation and redemption was the last step in that process.

"The acquisitions by Elders Management Services Pty Ltd requires \$45.5m of cash which will be funded by the balance of the capital raising and free cash flow" he said. "The Company is still tracking within its targeted ratios for leverage (2.0-2.5x) and interest cover (greater than 5.0x) after completion of the resale."

Mr Allison also noted that resale of the Hybrids would involve no dilution to ordinary shareholders.

Hutch Ranck, Elders' Chairman, thanked ordinary shareholders for their patience for the duration of the period in which Elders had been repairing its balance sheet. "We appreciate for long term shareholders in Elders that the Hybrids have been an impediment to the attractiveness of Elders as an investment. Removal of the Hybrids is another significant milestone for Elders and positions your company to capitalise on the opportunities available to the benefit of all shareholders."

Elders will advise ASX of completion of the resale and redemption of the Hybrids in due course.

Further Comment:

Mark Allison
Chief Executive Officer
0439 030 905



Issuer Realisation Notice



23 February 2017

To: Hybrid Holder

Issuer Realisation Notice

Elders Limited (ASX: ELD) is the issuer of hybrids (being unsecured notes) (ASX: ELDPA) (**Hybrids**) issued pursuant to a trust deed dated 16 February 2006 as amended (**Trust Deed**) and the Terms of Issue of the Hybrids (**Terms of Issue**). Terms used in this document and not otherwise defined have the meanings respectively given to them in the Trust Deed and the Terms of Issue.

Elders gives notice that it elects to Realise on the applicable Realisation Date all of the Hybrids pursuant to clause 6.1(b)(i) of the Terms of Issue. This document constitutes an Issuer Realisation Notice under the Terms of Issue.

The following is specified in this Issuer Realisation Notice in accordance with clause 6.2 of the Terms of Issue:

- (a) all of the Hybrids held by you and all of the Hybrids held by every other Holder of Hybrids will be Realised. A total of 1,500,000 Hybrids will be Realised;
- (b) the sole mechanism that Elders has chosen for Realisation is Resale; and
- (c) the Realisation Date is 30 March 2017.

The third party that Elders Limited will procure to purchase the Hybrids to implement the Resale is Elders Management Services Pty Ltd ACN 009 454 344.

If you have not already nominated to the Hybrid registrar, Boardroom Pty Limited, a bank account for the transmission of proceeds, you are encouraged to do so now to facilitate the prompt payment by electronic transfer of the proceeds of sale of any Hybrids you hold on the Realisation Date. An EFT form accompanies this notice for that purpose. Where no bank account is recorded, payment will be facilitated by cheque to the address recorded on the register.

Yours sincerely

.....
Authorised Officer
Elders Limited

REQUEST FOR DIRECT CREDITING OF PAYMENTS

Please credit all dividend payments from the above holding directly to our account at the following financial institution.

BSB / Bank & Branch		Account Number	
<input type="text"/>		<input type="text"/>	
Name in which account is held			Suffix No.
<input type="text"/>			<input type="text"/>
Name of bank or financial institution		Type of account (e.g. cheque, savings)	
<input type="text"/>		<input type="text"/>	
Country in which bank or financial institution is located			If applicable mark here to terminate any reinvestment plan participation
<input type="text"/>			<input type="checkbox"/>
Contact Name	Phone Number – Business Hours	Phone Number – After Hours	
<input type="text"/>	<input type="text"/>	<input type="text"/>	

Sign Here – This section must be signed for your instructions to be executed

I/We authorise you to act in accordance with my/our instructions set out above. I/We acknowledge that these instructions supersede and have priority over all previous instructions relating to payments of dividends/distributions to which I/we am/are entitled to be paid in cash and that these instructions do not override any previous Reinvestment Plan instructions unless I/we have so indicated by marking in the relevant box above.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
<input type="text"/>	<input type="text"/>	<input type="text"/>
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Day	Month	Year
<input type="text"/>	<input type="text"/>	<input type="text"/>

Please refer overleaf for instructions on completing this form

Glossary of Terms

BSB: A 6 digit Bank State Branch code used in Australia (format is xxx-xxx).

Signing Instructions

Individual: This form is to be signed by the Securityholder.
Joint Holding: Where the holding is in more than one name, all the Securityholders must sign.
Power of Attorney: To sign as Power of Attorney, you must have already lodged it with Boardroom Pty Limited.
Alternatively, attach a certified photocopy of the Power of Attorney to this form.
Companies: In accordance with the company's constitution and *Corporations Act 2001* (Cth)
(or for New Zealand Companies, the *Companies Act 1993*).

Please indicate the office held by signing in the appropriate space.

Privacy Statement:

The personal information provided in this form is collected by Boardroom Pty Limited, as registrar for the issuer of the securities you hold. Boardroom Pty Limited's privacy policy can be viewed on our website (www.boardroomlimited.com.au). Alternatively, you may contact BoardRoom on 1300 737 760 and request a copy be sent to you.

Your personal information is required for administration of the register of securityholdings. Should some or all of the requested information not be provided correct administration of your securityholding may not be possible. Your personal information may be disclosed to the issuer of the securities you hold, its or our related bodies corporate, external service companies such as print or mail service providers or otherwise as permitted by law. If, in accordance with the provisions of the Corporations Act the issuer of the securities you hold approves, you may be sent marketing material in addition to general corporate communications. You may elect not to receive marketing material by contacting Boardroom Pty Limited. You can obtain access to your personal information and (if required) advise of any incorrect, inaccurate or out of date data information held, by contacting Boardroom's Privacy Officer on 1300 737 760.

Please return the completed form by post, fax or email to:

Post: Boardroom Pty Limited
GPO Box 3993, Sydney NSW 2001, Australia
Fax: +61 2 9279 0664
Email: enquiries@boardroomlimited.com.au

Timetable

Date	Action
Thursday 23 February 2017	Give Issuer Realisation Notice
Friday 17 March 2017	Quotation of Hybrids ends and Hybrid register suspended
Tuesday 21 March 2017 (7.00pm)	Record Date for determining payment entitlements
Thursday 30 March 2017	Realisation Date (payment of Realisation Amount and provision of nil balance holding statements)
Thursday 30 March 2017	Notify ASX of completion of Resale
After Thursday 30 March 2017	Hybrids redeemed and termination of Hybrid trust
After Thursday 30 March 2017	Notify ASX of redemption of Hybrids and termination of Hybrid trust