20 March 2013

Rural Services Trading Update

- **Industry-wide conditions impact Australian network operations**
- **Farm supplies sales in Australian network down 10% compared to pcp**
- **Livestock agency in Australian network down 28% compared to pcp**
- **New Zealand network performing well with results ahead of pcp**
- **International Trading performing in line with current market conditions**

Elders Limited (ASX:ELD) advises that weak industry-wide conditions are impacting its rural services operations, particularly farm supplies sales and livestock agency activities in its Australian network.

Elders Limited Chief Executive Officer Malcolm Jackman said it is now clear that the year-to-date numbers in those areas are lower than the same time last year and are currently expected to result in a small underlying EBIT loss for the consolidated group, before mark-to-market adjustments, for the 6 months to 31 March 2013.

“Dry and hot weather conditions over the summer have led to a reduction in demand for agricultural chemicals across the cropping and livestock sectors which sees farm supplies sales down 10% compared with the same time last year,” Mr Jackman said.

“Similarly, dry conditions have led to reduced pasture and lower restocking demand in the livestock agency business which sees commissions down 28% compared with the same time last year” he said.

“The reduction is predominantly driven by a reduction in cattle prices (16%) and sheep prices (39%). Cattle volumes are down 8% where as sheep volumes are up 5%.”

Despite the impact to Australian network operations, Malcolm Jackman said that the International Trading and New Zealand operations continue to perform as expected.

“Live export operations are expected to deliver a performance in line with current market conditions and expectations in global live export volumes. Feedlot operations continue to perform strongly,” Mr Jackman said.

“Elders’ New Zealand network is performing well with results to date ahead of the previous year, despite ongoing drought on the North Island. This has been driven largely by a strong wool performance and lower costs which are more than compensating for the weaker result in farm supplies and livestock,” he said.

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