31 May 2013

Appendix 4D and Financial Statements for the Financial Period Ended 31 March 2013

Elders Limited (ASX: ELD) today reports its results for the half-year ended 31 March 2013.

Attached is the Appendix 4D (Results for announcement to the market), and Financial Statements for the 6 month financial period ended 31 March 2013.

Peter Hastings
Company Secretary

Elders Limited
ABN 34 004 336 636

HALF YEAR REPORT
APPENDIX 4D

31 MARCH 2013

ELDERS LIMITED
APPENDIX 4D (RULE 4.2)
RESULTS FOR ANNOUNCEMENT TO THE MARKET
FOR THE HALF YEAR ENDED 31 MARCH 2013

Attached is the final report for the half year ended 31 March 2013. The consolidated loss after tax and non-controlling interests was $303.2 million (2012: $47.1 million profit).

Additional Appendix 4D disclosure requirements can be found in the Directors' Report and the 31 March 2013 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 2012 and considered together with any public announcements made by Elders Limited during the half year ended 31 March 2013 in accordance with the continuous disclosure obligations of the ASX listing rules.

Further details on the results and operations are included in the Discussion and Analysis Document provided to the Australian Securities Exchange.

	Result			6 months March 2013 $000
Revenue from continuing operations	down	14%	to	763,088
Profit/(loss) from continuing operations after tax attributable to members	down	411%	to	(154,242)
Profit/(loss) from discontinued operations after tax attributable to members	down	5854%	to	(148,921)
Profit/(loss) after tax for the year attributable to members	down	744%	to	(303,163)

Dividends

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

Net tangible assets	**March 2013 $**	March 2012 $
Net tangible asset backing per ordinary security	**0.19**	0.64

Revenues from continuing operations comprise:	**6 months March 2013 $000**	6 months March 2012 $000
Sales revenue	**751,851**	860,507
Other revenue	**1,665**	7,678
Share of profit of associates and joint ventures	**4,570**	4,524
Profit/(loss) on sale of non current assets	**(4)**	(105)
Interest revenue	**5,006**	16,752
Total	**763,088**	889,356

ELDERS LIMITED
DIRECTORS REPORT

The Board of Directors of Elders Limited submits its report in respect of the half year ended 31 March 2013.

DIRECTORS REPORT

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

J C Ballard (Chairman)
M G Jackman
M C Allison
I G MacDonald (retired 30 November 2012)
J H Ranck
J M Rozman

REVIEW AND RESULTS FROM OPERATIONS

On a reported basis the consolidated loss after tax and before non-controlling interests was $300.7 million (2012: $48.5 million profit). The consolidated loss after tax and non-controlling interests was $303.2 million (2012: $47.1 million profit).

Further details on the results and operations are included in the Discussion and Analysis Document provided to the Australian Securities Exchange.

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 dollar unless specifically stated to be otherwise.

AUDITOR INDEPENDENCE

The Auditors review of the financial report is in accordance with the declaration on page 30 – "Auditor Independence Declaration to the Directors of Elders Limited."

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

J C Ballard
Chairman

M G Jackman
Director

Adelaide
31 May 2013

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 MARCH 2013

	Note	**6 months March 2013 $000**	6 months March 2012 $000
Continuing operations			
Sales revenue	5	**751,851**	860,507
Cost of sales		**(581,428)**	(665,478)
Other revenues		**1,665**	7,678
Expenses	5	**(264,912)**	(192,642)
Share of profit of associates and joint ventures	7	**4,570**	4,524
Loss on sale of non current assets	5	**(4)**	(105)
Interest revenue	18	**5,006**	16,752
Finance costs	18	**(19,308)**	(19,978)
Profit/(loss) from continuing operations before income tax expense		**(102,560)**	11,258
Income tax (expense)/benefit	6	**(49,690)**	39,902
Profit/(loss) from continuing operations after income tax expense		**(152,250)**	51,160
Net profit/(loss) of discontinued operations, net of tax	18	**(148,486)**	(2,628)
Net profit/(loss) for the period		**(300,736)**	48,532
Items that may be reclassified to profit and loss			
Foreign currency translation		**544**	(2,836)
Cash flow hedge and fair value of derivatives		**1,025**	(123)
Income tax on items of other comprehensive income		**209**	161
Other comprehensive income/(loss) for the period, net of tax		**1,778**	(2,798)
Total comprehensive income/(loss) for the period		**(298,958)**	45,734
Profit/(loss) for the period is attributable to:			
Non-controlling interest		**2,427**	1,430
Owners of the parent		**(303,163)**	47,102
		(300,736)	48,532
Total comprehensive income/(loss) for the period is attributable to:			
Non-controlling interest		**2,478**	1,209
Owners of the parent		**(301,436)**	44,525
		(298,958)	45,734
Reported operations			
Basic earnings per share (cents per share)	16	**(67.6)¢**	10.5¢
Diluted earnings per share (cents per share)	16	**(67.6)¢**	4.1¢
Continuing operations			
Basic earnings per share (cents per share)	16	**(34.4)¢**	11.1¢
Diluted earnings per share (cents per share)	16	**(34.4)¢**	4.3¢
Discontinued operations			
Basic earnings per share (cents per share)	16	**(33.2)¢**	(0.6)¢
Diluted earnings per share (cents per share)	16	**(33.2)¢**	(0.6)¢

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2013

	Note	March 2013 $000	September 2012 $000
Current assets			
Cash and cash equivalents		**73,266**	91,969
Trade and other receivables		**340,538**	498,015
Livestock		**49,127**	67,382
Inventory		**138,649**	166,975
Derivative financial instruments		**455**	1,593
Non current assets classified as held for sale	18(a)	**244,128**	71,474
Other		**11,477**	17,704
Current tax assets		**609**	-
Total current assets		**858,249**	915,112
Non current assets			
Receivables		**8,967**	18,522
Other financial assets		**1,278**	1,330
Investments in associates and joint ventures	7	**74,439**	80,539
Property, plant and equipment		**43,023**	95,684
Intangibles	8	**105,009**	277,257
Deferred tax assets		**25,464**	89,575
Other		**-**	31,883
Total non current assets		**258,180**	594,790
Total assets		**1,116,429**	1,509,902
Current liabilities			
Trade and other payables		**263,745**	386,606
Derivative financial instruments		**930**	2,010
Interest bearing loans and borrowings	9	**383,005**	302,987
Current tax payable		**-**	1,566
Provisions		**94,440**	121,065
Liabilities directly associated with assets held for sale	18(a)	**109,131**	-
Total current liabilities		**851,251**	814,234
Non current liabilities			
Payables		**-**	1,413
Interest bearing loans and borrowings	9	**3,516**	82,842
Deferred tax liabilities		**4,269**	34,722
Provisions		**6,335**	24,909
Total non current liabilities		**14,120**	143,886
Total liabilities		**865,371**	958,120
Net assets		**251,058**	551,782
Equity			
Contributed equity		**1,269,738**	1,270,323
Hybrid equity		**145,151**	145,151
Reserves		**(24,334)**	(27,310)
Retained earnings		**(1,147,659)**	(844,029)
Total parent entity equity interest		**242,896**	544,135
Non-controlling interests		**8,162**	7,647
Total equity		**251,058**	551,782

The accompanying notes form an integral part of this consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 MARCH 2013

	6 months March 2013 $000	6 months March 2012 $000
Cash flow from operating activities		
Receipts from customers	**2,718,669**	3,193,620
Payments to suppliers and employees	**(2,733,539)**	(3,214,609)
Dividends received	**8,370**	3,791
Interest received	**5,236**	6,090
Interest and other costs of finance paid	**(17,701)**	(19,765)
GST (paid)/refunded	**(11,606)**	(7,412)
Income taxes (paid)/refunded	**448**	(1,602)
Net operating cash flows	**(30,123)**	(39,887)
Cash flow from investing activities		
Payment for property, plant and equipment	**(3,104)**	(1,730)
Payment for intangibles	**-**	(3,129)
Payment for controlled entities, net of cash acquired	**(1,261)**	748
Payment for design and development capitalised	**(8,726)**	(4,534)
Proceeds from sale of non current assets held for sale	**23,006**	22,094
Proceeds from sale of property, plant and equipment	**192**	121
Proceeds from sale of investment properties	**-**	2,730
Proceeds from sale of intangibles	**566**	-
Payment for acquisition of non-controlling interest	**(189)**	(3,124)
Repayment of loans by associated entities	**750**	-
Loans repaid by growers	**2,350**	180
Net investing cash flows	**13,584**	13,356
Cash flow from financing activities		
Proceeds from sale of reserved shares	**7**	31
Proceeds from borrowings	**61,034**	40,000
Repayment of borrowings	**(61,015)**	(30,990)
Principal repayments of lease liabilities	**(227)**	(158)
Partnership profit distributions/dividends paid	**(1,963)**	(1,452)
Net financing cash flows	**(2,164)**	7,431
Net increase/(decrease) in cash held	**(18,703)**	(19,100)
Cash at the beginning of the financial period	**91,969**	81,614
Cash at the end of the financial period	**73,266**	62,514

The accompanying notes form an integral part of this consolidated statement of cash flows.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 MARCH 2013

$000	Contributed equity	Hybrid equity	Reserves	Retained earnings	Non-controlling interest	Total equity
As at 1 October 2012	**1,270,323**	**145,151**	**(27,310)**	**(844,029)**	**7,647**	**551,782**
Profit/(loss) for the period	**-**	**-**	**-**	**(303,163)**	**2,427**	**(300,736)**
Other comprehensive income/(loss):						
Foreign currency translation	**-**	**-**	**493**	**-**	**51**	**544**
Cash flow hedges and fair value of derivatives	**-**	**-**	**1,025**	**-**	**-**	**1,025**
Income tax on items of other comprehensive income	**-**	**-**	**209**	**-**	**-**	**209**
Total comprehensive income/(loss) for the period	**-**	**-**	**1,727**	**(303,163)**	**2,478**	**(298,958)**
Transactions with owners in their capacity as owners:						
Tax effect on share issue costs	**(585)**	**-**	**-**	**-**	**-**	**(585)**
Proceeds from sale of reserved shares	**-**	**-**	**7**	**-**	**-**	**7**
Partnership profit distributions/dividends paid	**-**	**-**	**-**	**-**	**(1,963)**	**(1,963)**
Excess paid for purchase of non-controlling interest	**-**	**-**	**12**	**-**	**-**	**12**
Cost of share based payments	**-**	**-**	**753**	**-**	**-**	**753**
Other transfers	**-**	**-**	**-**	**10**	**-**	**10**
Reallocation of equity	**-**	**-**	**477**	**(477)**	**-**	**-**
As at 31 March 2013	**1,269,738**	**145,151**	**(24,334)**	**(1,147,659)**	**8,162**	**251,058**
As at 1 October 2011	1,271,493	145,151	(33,592)	(781,322)	2,953	604,683
Profit/(loss) for the period	-	-	-	47,102	1,430	48,532
Other comprehensive income/(loss):						
Foreign currency translation	-	-	(2,615)	-	(221)	(2,836)
Cash flow hedges and fair value of derivatives	-	-	(123)	-	-	(123)
Income tax on items of other comprehensive income	-	-	161	-	-	161
Total comprehensive income/(loss) for the period	-	-	(2,577)	47,102	1,209	45,734
Transactions with owners in their capacity as owners:						
Tax effect on share issue costs	(585)	-	-	-	-	(585)
Proceeds from sale of reserved shares	-	-	31	-	-	31
Partnership profit distributions/dividends paid	-	-	-	-	(1,452)	(1,452)
Acquisition of non-controlling interest	-	-	-	-	1,098	1,098
Acquisition of subsidiary	-	-	-	-	2,216	2,216
Excess paid for purchase of non-controlling interest	-	-	(1,077)	-	-	(1,077)
Cost of share based payments	-	-	1,312	-	-	1,312
Reallocation of equity	-	-	2,360	(2,360)	-	-
As at 31 March 2012	1,270,908	145,151	(33,543)	(736,580)	6,024	651,960

The accompanying notes form an integral part of this consolidated statement of changes in equity.

NOTE 1 CORPORATE INFORMATION

The consolidated financial report of Elders Limited for the half year ended 31 March 2013 was authorised for issue in accordance with a resolution of the Directors on 31 May 2013.

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 the Group are described in the Directors' Report and note 14.

NOTE 2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

(a) Basis of preparation

The half year consolidated financial statements for the 6 months ended 31 March 2013 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 the Group's annual financial statements as at 30 September 2012.

In preparing the financial report, the Directors have made an assessment of the ability of the Group to continue as a going concern. In doing so, the Directors have considered the cash flow requirements of business operations, availability of funding, realisation of assets and expected settlement of liabilities.

In order for the Group to achieve its operational and debt obligations the Group will be required to meet forecast trading results and cash flows, and to complete the sale of certain assets or to otherwise obtain additional funding. The forecasts assume that planned costs savings and other operational improvements are achieved.

The Group uses best estimate assumptions in the development of trading and cash flow forecasts. These assumptions are subject to influences and events outside the control of the Group. The current domestic and international trading environments in both the Rural Services and Automotive segments present challenges in terms of forecasting sales prices, volumes, margins and operating cash flows. Whilst the Directors have instituted measures to minimise the cash demands of the business, this environment creates material uncertainties over the future trading results and cash flows.

The Group is engaged in a program of sale of key components of the Group's businesses. In addition to the withdrawal from the Forestry sector announced in 2011 and the intended sale of Futuris Automotive announced on 15 August 2012, the Group announced the commencement of a process to sell Elders Rural Services on 29 October 2012.

As a result of these announcements, the Group has negotiated its finance facilities so as to provide sufficient funding through to the anticipated sale of these assets, with finance facilities timed to mature in line with the Forestry, Futuris Automotive and Rural Services divestments planned before 30 September 2013.

At the date of this report, the following material uncertainties arise in relation to the preparation of this financial report: a) whether each of the Group's businesses will continue to trade within expectations; b) whether the divestments of Forestry, Futuris Automotive and Elders Rural Services will proceed as planned and will complete within expected timeframes, for sufficient quantum of proceeds and having received shareholder approval, if required, or be supplanted in whole or in part by alternative capital or funding proposals; c) whether there will be a successful rationalisation and completion of obligations following the proposed sale of the Forestry, Futuris Automotive and Elders Rural Services businesses. Resolution of these material uncertainties is fundamental to the ability of the Group to pay debts as and when they become due and payable and to continue as a going concern.

Further, the Group's finance facilities include certain obligations which are required to be met by the Group within specified timeframes, including milestones for the conduct of the sales processes for both Futuris Automotive and Elders Rural Services. Any significant deterioration from current expectations of the Directors as to the performance of the Group's businesses, and the progress of sales processes, may compromise compliance with these obligations.

Subject to resolution of the material uncertainties set out above in a manner favourable to the Group, the Directors believe at the date of the signing of the financial report there are reasonable grounds to believe that the Group will meet its debts as and when they become due and payable.

Should the Group not achieve appropriate operating performance and anticipated asset realisation outcomes, or otherwise continue to receive the ongoing support of its financiers, there is material uncertainty whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial report.

(b) Changes to the Group's accounting policies

The accounting policies adopted in preparation of the half year consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 September 2012, except for the adoption of new standards and interpretations as of 1 October 2012 noted below, none of which had any impact on the financial position and performance of the Group:

- AASB 2010-8 Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets
- AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income

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

NOTE 3 SEASONALITY OF OPERATIONS

The Rural Services segment provides a range of agricultural products and services through a common distribution channel. Due to the seasonal nature of this segment, higher revenues and operating profits are usually expected in the second half of the year rather than the first six months.

NOTE 4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's 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 other various 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 have 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. Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

The significant accounting judgements, estimates and assumptions adopted in the half-year financial report are consistent with those applied in the preparation of the Group's financial report for the year ended 30 September 2012.

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.

The realisation of the deferred tax assets has been made at balance date having regard to the continuation of Elders Rural Services business as a going concern. Following the announcement of the divestment of the Elders Rural Services business, there is heightened risk as to the realisation of this asset. Realisation is now subject to the nature of the transaction proposed for the business.

Impairment of non-financial assets other than goodwill and indefinite life intangibles
The Group assesses impairment of all assets at each reporting date by evaluating conditions specific to the group and to the particular asset that may lead to impairment. These include product and manufacturing performance, technology, climate, economic and political environments and future product expectations. If an impairment trigger exists the recoverable amount of the asset is determined.

Classification of assets and liabilities as held for sale
The Group classifies assets and liabilities as held for sale when the carrying amount will be recovered through a sale transaction. The assets and liabilities must be available for immediate sale and the Group must be committed to selling the asset either through entering into a contractual sale agreement or the activation and commitment to a program to locate a buyer and dispose of the assets and liabilities.

As at balance date, the Board has determined the process relating to the proposed divestment of Automotive is sufficiently advanced to require classification of the division as ‘held for sale’, and the Forestry disposal groups continue to meet the held for sale classification requirements.

As at balance date, the Board has determined the process relating to the proposed divestment of Rural Services business is not sufficiently advanced to require classification as ‘held for sale’. In the absence of a committed sale, there is material uncertainty the ultimate realisable values will recover the amounts reflected in the financial statements.

Impairment of goodwill and intangibles with indefinite useful lives
The Group determines whether goodwill and intangibles with indefinite useful lives are impaired on a bi-annual basis. This requires an estimation of the recoverable amount of the cash-generating units, using a value in use discounted cash flow methodology, to which goodwill and intangibles with indefinite useful lives are allocated. The assumptions used in this estimation of recoverable amount and the carrying amount of goodwill and intangibles with indefinite useful lives including a sensitivity analysis are discussed in note 8.

As detailed in note 2(a) and note 8, there is material uncertainty the ultimate realisable values will recover the amounts reflected in the financial statements.

Share based payment transactions
The Group measures the cost of equity-settled transactions with employees with reference to the fair value of equity instruments at the date at which they are granted. The fair value is determined using the Monte Carlo simulation model. The accounting estimates and assumptions relating to the equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

Make good provision
Provisions have been made for the present value of anticipated costs of future restoration of leased property. The provision includes the future cost estimates associated with the required restorations. The calculation of this provision requires assumptions, and in those assumptions there are uncertainties which may result in future actual expenditure differing from the amounts currently provided. The provisions are periodically reviewed and updated on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting both the expense and provision.

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 the assets is assessed bi-annually and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

NOTE 5 REVENUE AND EXPENSES

	Note	**6 Months March 2013 $000**	6 Months March 2012 $000
Sales revenue:			
Sale of goods and biological assets		**648,163**	741,974
Commission and other selling charges		**88,363**	103,726
Other sales related income		**15,325**	14,807
		751,851	860,507
Discontinued operations:	18	**175,398**	177,976
		927,249	1,038,483
Expenses:			
Distribution expenses		**128,886**	131,234
Marketing expenses		**3,802**	4,651
Occupancy expenses		**17,466**	16,329
Administrative expenses		**35,558**	38,314
Forestry fair value adjustments and impairments		**3,377**	-
Impairment of assets retained		**56,300**	-
Restructuring, redundancy and other write offs		**16,631**	2,114
Change in fair value of financial and other assets		**2,892**	-
		264,912	192,642
Discontinued operations:	18	**191,493**	30,998
		456,405	223,640
Profit/(loss) on sale of non current assets:			
Property, plant and equipment		**(4)**	(105)
		(4)	(105)
Discontinued operations:	18	**2,078**	(832)
		2,074	(937)
Specific expenses:			
Depreciation and amortisation		**12,820**	11,918

NOTE 6 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 the Group's effective income tax rate is as follows:

	6 months March 2013 $000	6 months March 2012 $000
Accounting profit/(loss) before tax from:		
- Continuing operations	**(102,560)**	11,258
- Discontinued operations	**(161,524)**	(2,276)
Total Accounting profit/(loss) before tax	**(264,084)**	8,982
Income tax expense/(benefit) at 30% (2012: 30%)	**(79,225)**	2,695
Adjustments in respect of current income tax of previous years	**(3,415)**	(60,811)
Share of associate (profits)/losses	**(1,242)**	(951)
Non assessable (profits)/losses	**9,528**	(1,496)
Non deductible other expenses	**1,611**	103
Impairment expense	**54,129**	555
Losses available to offset against future taxable income	**5,518**	5,017
(Recognition)/derecognition of prior year tax losses	**52,000**	18,000
Other	**(2,252)**	(2,662)
Income tax expense/(benefit) as reported in the statement of comprehensive income	**36,652**	(39,550)
Aggregate Income tax expense/(benefit) is attributable to:		
- Continuing Operations	**49,690**	(39,902)
- Discontinued Operations	**(13,038)**	352
	36,652	(39,550)

The realisation of the deferred tax assets has been made at balance date having regard to the continuation of Elders Rural Services business as a going concern. Following the announcement of the divestment of the Elders Rural Services business, there is heightened risk as to the realisation of this asset. Realisation is now subject to the nature of the transaction proposed for the business.

Tax losses

During the period the Group has derecognised $52.0 million of tax losses available to offset against future taxable income.

The Group has tax losses for which no deferred tax asset is recognised in the statement of financial position of $202.9 million (September 2012: $145.1 million) which are available indefinitely for offset against future taxable profits subject to continuing to meet relevant statutory tests.

Unrecognised temporary differences

At 31 March 2013, there are no unrecognised temporary differences associated with the Group's investment in subsidiaries, associates or joint ventures, as the Group would have no additional tax liability.

NOTE 7 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Name of Investment	Ownership interest		Consolidated entity investment		Contribution to net profit/(loss)	
					6 months	6 months
	March 2013	Sept 2012	**March 2013**	Sept 2012	**March 2013**	March 2012
	%	%	**$000**	$000	**$000**	$000
AWH Pty Ltd	**50**	50	**50,761**	49,731	**2,262**	2,244
Kilcoy Pastoral Company Limited	**20**	20	**6,045**	5,685	**360**	523
Elders Financial Planning Pty Ltd	**49**	49	**5,234**	5,343	**(109)**	(417)
Elders Insurance (Underwriting Agency) Pty Limited	**25**	25	**4,039**	3,693	**3,146**	2,993
Agricultural Land Trust	**49.1**	49.7	**5,008**	12,185	**(1,253)**	(1,174)
Other investments			**3,352**	3,902	**92**	(474)
			74,439	80,539	**4,498**	3,695

Share of profit of associates and joint ventures is attributable to:		
- Continuing operations	**4,570**	4,524
- Discontinued operations	**(72)**	(829)
	4,498	3,695

NOTE 8 INTANGIBLES

Reconciliation of carrying amounts at beginning and end of period:

Non current	IT development and software $000	Patents, trademarks and licences $000	Goodwill $000	Brand Names $000	Development costs, rent rolls and other $000	Total $000
6 months ended March 2013						
Carrying amount at beginning of period	**25,484**	**3,210**	**171,907**	**60,400**	**16,256**	**277,257**
Additions	**53**	**-**	**150**	**-**	**-**	**203**
Disposals	**-**	**(342)**	**-**	**-**	**-**	**(342)**
Transfers	**955**	**(468)**	**-**	**-**	**350**	**837**
Amortisation	**(98)**	**(123)**	**-**	**-**	**(1,319)**	**(1,540)**
Impairment	**(25,532)**	**(732)**	**(103,943)**	**(26,468)**	**(14,737)**	**(171,412)**
Exchange fluctuations	**-**	**6**	**-**	**-**	**-**	**6**
Carrying amount at end of period	**862**	**1,551**	**68,114**	**33,932**	**550**	**105,009**
Cost	**26,492**	**4,750**	**183,235**	**60,400**	**2,085**	**276,962**
Accumulated amortisation and impairment	**(25,630)**	**(3,199)**	**(115,121)**	**(26,468)**	**(1,535)**	**(171,953)**
	862	**1,551**	**68,114**	**33,932**	**550**	**105,009**
6 months ended March 2012						
Carrying amount at beginning of period	-	2,739	165,228	60,400	21,865	250,232
Additions	-	3,129	-	-	-	3,129
Acquisition of controlled entity	-	938	10,814	-	-	11,752
Transfers	7,414	-	-	-	-	7,414
Amortisation	-	(106)	-	-	(1,764)	(1,870)
Exchange fluctuations	-	-	71	-	(44)	27
Carrying amount at end of period	7,414	6,700	176,113	60,400	20,057	270,684
Cost	7,414	8,573	185,813	60,400	33,689	295,889
Accumulated amortisation and impairment	-	(1,873)	(9,700)	-	(13,632)	(25,205)
	7,414	6,700	176,113	60,400	20,057	270,684

NOTE 8 INTANGIBLES

A description of each intangible asset is included below.

(a) Description of the Group's intangible assets and goodwill

(i) IT Development and software

Costs incurred in developing products or systems and costs incurred in acquiring software that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to IT development and software. Costs capitalised include external direct costs of materials and service and direct payroll and payroll related cost of employees time spent on the project. These intangible assets have been determined to have finite useful lives and are amortised over their useful lives and tested for impairment whenever there is an indicator of impairment (refer section (b) of this note).

During the period the IT platform modernisation project was put on hold pending the divestment of Rural Services. Due to the uncertainty of the recommencement of the project, an impairment charge of $25.5 million was recognised to impair the project to nil value.

(ii) Patents, trade marks and licences

Patents and licences have been acquired through business combinations and are carried at cost less accumulated impairment losses. These intangible assets have been determined to have finite useful lives and are amortised over their useful lives and tested for impairment whenever there is an indicator of impairment (refer section (b) of this note).

(iii) Goodwill

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised but is subject to impairment testing on an annual basis or whenever there is an indication of impairment (refer section (b) of this note).

(iv) Brand Names

The Brand Name value represents the value attributed to the Elders Brand when acquired through business combinations and are carried at cost less accumulated impairment losses. Brand Names have been determined to have indefinite useful life due to there being no foreseeable limit to the period over which they are expected to generate net cash inflows, given the strength and durability of our Brand and the level of marketing support. The Brand has been in the rural and regional Australian market for many years, and the nature of the industry we operate in is such that Brand obsolescence is not common, if appropriately supported by advertising and marketing spend. Brand Names are not amortised but are subject to impairment testing on an annual basis or whenever there is an indication of impairment (refer section (b) of this note).

Expenditure incurred in developing, maintaining or enhancing Brand Names is expensed in the year that it occurred.

(v) Development costs, rent rolls and other

Development costs and rent rolls have been acquired through business combinations and are carried at cost less accumulated impairment losses. These intangible assets have been determined to have finite useful lives and are amortised over their useful lives and tested for impairment whenever there is an indicator of impairment (refer section (b) of this note).

NOTE 8 INTANGIBLES

(b) Impairment tests for goodwill and intangibles with indefinite useful lives

For the purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units, or groups of cash generating units, that are expected to benefit from the synergies of the combination, irrespective of whether the other assets and liabilities of the Group are assigned to those units or group of units. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes, and is not larger than an operating segment determined in accordance with AASB 8.

The carrying amount of goodwill and Brand Names attributed to each of these cash generating units is as follows:

	Goodwill		Brand Names	
	March 2013 $000	Sep 2012 $000	**March 2013 $000**	Sep 2012 $000
Rural Services Network	**65,831**	65,681	**33,932**	60,400
MCK Holdings	**-**	87,499	**-**	-
Other CGU's	**2,283**	18,727	**-**	-
	68,114	171,907	**33,932**	60,400

NOTE 8 INTANGIBLES

(i) Rural Services Network CGU

During the period the value in use of the Rural Services Network has been assessed, resulting in an impairment charge of $26.5 million against Brand Names being brought to account.

The recoverable amount of Goodwill and Brand Names for Rural Services Network CGU has been determined based on a value in use calculation using cash flow projections approved by management that covers a period of 5 years. Future cash flows are based on budgets and forecasts taking into account current market conditions and known future business events that will impact cash flows. The discount rate applied to the cash flow projections is 14.9% pre-tax (2012: 13.9% pre-tax) which has been determined based on a weighted average cost of capital calculation which incorporates the specific risks relating to the Rural Services Network.

The calculation of value in use for the Rural Services Network CGU was based on the following key assumptions:

Gross margins

Gross margins are expected to increase as a result of:

- Recovery in livestock prices and volumes from current levels to historic averages as seasons normalise.
- A return to normal spring and summer rainfall patterns improving sales of agricultural chemicals, seed and fertiliser, and likely restoration of margins to historic levels as demand increases.
- An increase in animal health sales as the national sheep flock and cattle herd rebuilds.
- Improvement in real estate commissions earned in both rural and residential markets as conditions improve.

Selling, general and administrative expenses

Substantial support centre cost savings were achieved as a result of redundancies and targeted material reductions in discretionary spending implemented in 2012. In the period since, continued rigour has been applied so as to stabilise non personnel SG&A expenses. Stable forecast non personnel expenditure is based on:

- Decreases in rental costs as a result of lease expiry of various surplus properties.
- Specific initiatives around motor vehicle management and standardisation, and more flexible leasing arrangements.
- Continued tight controls around discretionary expenditure.

Personnel expenditure is expected to increase as the effects of natural attrition are reversed to cater for more normalised seasonal conditions.

Growth rate estimates

Year 1 and 2 cash flows are based on a two year forecast model. The EBIT and working capital growth rates for years 3, 4 and 5 are based on a 3% nominal growth factor.

Discount rates

Discount rates reflect management’s estimate of the time value of money and the risk specific to each unit that are not already reflected in the cash flows.

(ii) MCK Holdings

On 15 August 2012, the Group announced the intended sale of Futuris Automotive. As at 31 March 2013, the Board of Directors resolved that the Automotive divestment had progressed to a stage where it was appropriate to classify the Automotive segment, including the MCK Holdings CGU, as held for sale and as a discontinued operation.

On transfer to held for sale, $103.8 million of goodwill impairments have been recognised to revalue the segment to the lower of carrying amount or fair value less costs to sell. The $103.8 million impairment charge consisted of an impairment charge of $87.5 million against the MCK Holdings CGU and a further $16.3 million against other Automotive CGU’s.

NOTE 8 INTANGIBLES

(b) Sensitivity to change in assumptions

Assets have been tested for impairment in accordance with the accounting policies described, including the determination of recoverable amounts of assets using the higher of value in use and fair value less cost to sell.

As detailed in note 2(a) the Group remains in the process of receiving and considering proposals for the sale of the Elders Rural Services business. Subject to the outcome of this divestment process, there is material uncertainty the fair value less costs to sell will recover the amounts reflected in the financial statements.

Rural Services Network CGU

With regard to the assessment of the value in use of the Rural Services Network CGU, there are reasonably possible changes in key assumptions that could cause the carrying value of the unit to materially exceed its recoverable amount:

- In isolation, a 10% decrease in expected future cash flows in the discounted cash flow model could result in an impairment of $47.9 million to Goodwill and Brand Names;
- In isolation, a 1% increase in the discount rate could result in an impairment of $38.5 million to Goodwill and Brand Names; and
- Developments in the sale process which would require the recoverable amount of assets to be determined in accordance with fair value less costs to sell.

NOTE 9 INTEREST BEARING LOANS AND LIABILITIES

	March 2013 $000	September 2012 $000
Current		
Secured loans	**234,448**	103,354
Trade receivables funding	**148,076**	199,196
Lease liabilities	**481**	437
	383,005	302,987
Non current		
Secured loans	**1,643**	80,983
Unsecured loans	**1,565**	1,555
Lease liabilities	**308**	304
	3,516	82,842
Total current and non current	**386,521**	385,829

The Group also has an ancillary facility in relation to off balance sheet funding, such as bank guarantees, of $63.2 million. As at 31 March 2013 $46.5 million had been drawn (30 September 2012: $35.5 million).

NOTE 10 RESERVES

Reconciliation of carrying amounts at beginning and end of period:

6 months ended March 2013	**Business combination reserve $000**	**Employee equity benefits reserve $000**	**Foreign currency translation reserve $000**	**Net unrealised gains reserve $000**	**Reserved shares reserve $000**	**Total $000**
Carrying amount at beginning of period	**(16,169)**	**397**	**(7,707)**	**(1,641)**	**(2,190)**	**(27,310)**
Foreign currency translation	**-**	**-**	**544**	**-**	**-**	**544**
Non-controlling interest share of movement	**-**	**-**	**(51)**	**-**	**-**	**(51)**
Cash flow hedges and fair value of derivatives	**-**	**-**	**-**	**1,025**	**-**	**1,025**
Income tax on items of other comprehensive income	**-**	**-**	**-**	**209**	**-**	**209**
Proceeds from sale of reserved shares	**-**	**-**	**-**	**-**	**7**	**7**
Excess paid for purchase of non-controlling interest	**12**	**-**	**-**	**-**	**-**	**12**
Cost of share based payments	**-**	**753**	**-**	**-**	**-**	**753**
Transfer to retained earnings	**(346)**	**(339)**	**-**	**-**	**1,162**	**477**
Transfer to reserved shares reserve	**-**	**397**	**-**	**-**	**(397)**	**-**
Carrying amount at end of period	**(16,503)**	**1,208**	**(7,214)**	**(407)**	**(1,418)**	**(24,334)**

6 months ended March 2012						
Carrying amount at beginning of period	(15,092)	(3,081)	(12,256)	(169)	(2,994)	(33,592)
Foreign currency translation	-	-	(2,836)	-	-	(2,836)
Non-controlling interest share of movement	-	-	221	-	-	221
Cash flow hedges and fair value of derivatives	-	-	-	(123)	-	(123)
Income tax on items taken directly or transferred to equity	-	-	(13)	174	-	161
Proceeds from sale of reserved shares	-	-	-	-	31	31
Excess paid for purchase of non-controlling interest	(1,077)	-	-	-	-	(1,077)
Cost of share based payments	-	1,312	-	-	-	1,312
Transfer to retained earnings	-	(1,386)	-	-	3,746	2,360
Transfer to reserved shares reserve	-	1,352	-	-	(1,352)	-
Carrying amount at end of period	(16,169)	(1,803)	(14,884)	(118)	(569)	(33,543)

NOTE 11 DIVIDENDS

	6 months March 2013 $000	6 months March 2012 $000
Current year interim		
- No interim dividend will be paid (2012: Nil)	**-**	-
Previous year final		
- No final dividend paid (2012: Nil)	**-**	-
Subsidiary equity dividends on ordinary shares:		
Dividends paid to external parties during the half year	**1,963**	1,452

Elders financing package contains a prohibition on the payment of ordinary dividends to shareholders and distributions on hybrid securities.

No hybrid security distributions were declared or paid during the period.

NOTE 12 EXPENDITURE COMMITMENTS

Other than disclosed below there has been no material changes to expenditure commitments.

	March 2013 $000	September 2012 $000
Operating leases commitments:		
- Within one year	**77,623**	81,524
- After one year but not later than five years	**174,333**	193,974
- After more than five years	**63,880**	92,634
Total minimum lease payments	**315,836**	368,132
Capital commitments:		
Capital expenditure contracted for but not otherwise provided for in these accounts		
- Within one year	**2,917**	11,213
- After one year but not later than five years	**-**	7,230
Total capital commitments	**2,917**	18,443

NOTE 13 CONTINGENT LIABILITIES

There are potential legal matters that occur in the ordinary course of business that are being considered by the Group's legal advisors. Based on the current information available, the following applies:

Unquantifiable contingent liabilities

- The Group has contingent obligations in respect of real property let or sub-let by entities within the Group.
- Benefits are payable under service agreements with executive Directors and other employees of the Group under certain circumstances such as achievement of prescribed performance hurdles, occurrence of certain events or termination of employment for reasons other than serious misconduct.
- The Group has provided a guarantee to a third party in relation to certain obligations of Caversham Property Developments Pty Limited, a former subsidiary of Elders Limited. The Directors are of the view that the Group's liability under the guarantee is unquantifiable and remote.
- A member of the Group is party to a put option, exercisable from October 2013, in connection with a third party's holding in B&W Rural Pty Ltd, an incorporated joint venture in which the Group is the 75% shareholder. If exercised, the Group will own all the issued capital in B&W Rural Pty Ltd. It is not known whether the third party will exercise its rights pursuant to that put option, nor is it presently ascertainable what the consideration for the option shares might be.
- Members of the Group have, from time to time and in the ordinary course, provided parent company guarantees in respect of certain contractual obligations of their subsidiaries.
- There have been various legal claims lodged for damages resulting from the use of products or services of the Group for which no provision has been raised as it is not currently probable that these claims will succeed or it is not practical to estimate the potential effect of these claims. The Directors are of the view that none of these claims based on the net exposure are likely to be material.

Other guarantees

The parent entity has entered into a Deed of Cross Guarantee with certain controlled entities. The effect of this Deed is that Elders Limited and each of these controlled entities has guaranteed to pay any deficiency of any of the company's party to the Deed in the event of any of those companies being wound up.

The parent entity and certain entities in the Group are parties to various guarantees and indemnities pursuant to bank facilities and operating lease facilities extended to the Group.

NOTE 14 SEGMENT INFORMATION

Identification of reportable segments

The Group has identified its operating segments to be the four segments of Rural Services, Forestry, Automotive Components and Investment & 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 executive management team on at least a monthly basis. The Group operates predominantly within Australia. All other geographical operations are not material to the financial statements.

Type of product and service

- Rural Services include the provision of a range of agricultural products and services through a common distribution channel.
- Forestry includes the Group's interests in forestry plantations and forestry related investments.
- Automotive Components include the manufacturing and sales of automotive components of which the key components are seating, interior trim, and insulation packages.
- The Investment & Other segment includes the general investment activities not associated with the other business segments and the administrative corporate office activities.

Accounting policies and intersegment transactions

The accounting policies used by the Group 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.

Changes have been made to the composition of the Rural Services and Investment and Other segments to reflect changes in internal reporting. The comparative segment information has been restated to reflect these changes.

	Rural Services	Forestry	Automotive Compon-ents	Investment & Other	Total
6 months March 2013	**$000**	**$000**	**$000**	**$000**	**$000**
External sales	**751,851**	**990**	**174,408**	**-**	**927,249**
Other revenues	**1,418**	**1,092**	**7,481**	**247**	**10,238**
Share of profit of associates and joint ventures	**5,823**	**(1,253)**	**(72)**	**-**	**4,498**
Profit/(loss) on sale of non current assets	**(4)**	**1,854**	**224**	**-**	**2,074**
Interest revenue	**4,357**	**196**	**34**	**649**	**5,236**
Total revenue	**763,445**	**2,879**	**182,075**	**896**	**949,295**
Earnings before interest, tax, depreciation & amortisation	**(66,517)**	**(1,818)**	**(153,558)**	**(14,614)**	**(236,507)**
Depreciation & amortisation	**(3,411)**	**-**	**(9,406)**	**(3)**	**(12,820)**
Segment result	**(69,928)**	**(1,818)**	**(162,964)**	**(14,617)**	**(249,327)**
Corporate net interest expense					**(14,757)**
Profit from ordinary activities before tax					**(264,084)**
Segment result	**(69,928)**	**(1,818)**	**(162,964)**	**(14,617)**	**(249,327)**
Less discontinued operations results	**-**	**7,156**	**(162,964)**	**(5,261)**	**(161,069)**
Continuing profit/(loss) before net borrowing costs and tax expense	**(69,928)**	**(8,974)**	**-**	**(9,356)**	**(88,258)**
Corporate net interest expense					**(14,302)**
Continuing profit/(loss) before tax expense					**(102,560)**
Segment assets	**748,309**	**75,589**	**184,228**	**8,964**	**1,017,090**
Unallocated assets (including tax assets)	**-**	**-**	**-**	**-**	**99,339**
Total assets	**748,309**	**75,589**	**184,228**	**8,964**	**1,116,429**
Segment liabilities	**293,351**	**64,487**	**109,131**	**7,612**	**474,581**
Unallocated liabilities (including tax liabilities)	**-**	**-**	**-**	**-**	**390,790**
Total liabilities	**293,351**	**64,487**	**109,131**	**7,612**	**865,371**
Net assets	**454,958**	**11,102**	**75,097**	**1,352**	**251,058**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2013

NOTE 14 SEGMENT INFORMATION

	Rural Services	Forestry	Automotive Compon-ents	Investment & Other	Total
6 months March 2012	$000	$000	$000	$000	$000
External sales	860,507	9,297	168,679	-	1,038,483
Other revenues	7,385	550	10,142	329	18,406
Share of profit of associate and joint ventures	5,204	(1,174)	(335)	-	3,695
Profit/(loss) on sale of non current assets	(112)	(825)	-	-	(937)
Interest revenue	4,826	147	91	11,926	16,990
Total revenue	877,810	7,995	178,577	12,255	1,076,637
Earnings before interest, tax, depreciation & amortisation	22,857	(12,834)	18,779	(4,732)	24,070
Depreciation & amortisation	(3,277)	-	(8,637)	(4)	(11,918)
Segment result	19,580	(12,834)	10,142	(4,736)	12,152
Corporate net interest expense					(3,170)
Profit from ordinary activities before tax					8,982
Segment result	19,580	(12,834)	10,142	(4,736)	12,152
Less discontinued operations results	(419)	(12,055)	10,142	-	(2,332)
Continuing profit/(loss) before net borrowing costs and tax expense	19,999	(779)	-	(4,736)	14,484
Corporate net interest expense					(3,226)
Continuing profit/(loss) before tax expense					11,258
September 2012					
Segment assets	894,088	99,516	327,736	7,018	1,328,358
Unallocated assets (including tax assets)	-	-	-	-	181,544
Total assets	894,088	99,516	327,736	7,018	1,509,902
Segment liabilities	345,481	81,130	101,394	7,998	536,003
Unallocated liabilities (including tax liabilities)	-	-	-	-	422,117
Total liabilities	345,481	81,130	101,394	7,998	958,120
Net assets	548,607	18,386	226,342	(980)	551,782

NOTE 15 SUPPLEMENTARY STATEMENT OF NET DEBT

This Supplementary Statement of Net Debt has been prepared to provide additional disclosure of segmental cash flows and the resultant impact on net debt for the period. This non-IFRS disclosure is provided as a supplementary disclosure to IFRS reporting of Consolidated Cash Flows to provide illumination of cash performance of individual segments within the Consolidated Statement. The Directors consider this to be particularly useful given the diverse nature of the Company's operating segments. The Supplementary Statement of Net Debt should not be used as replacement for the Statement of Consolidated Cash Flows which appears in this report but should be read in conjunction with the Statement of Consolidated Cash Flows.

(a) Statement of Net Debt

6 months March 2013	Rural Services	Forestry	Automotive Compon-ents	Investment & Other	Total
	$000	$000	$000	$000	$000
Earnings before interest & tax	(69,928)	(1,818)	(162,964)	(14,617)	(249,327)
Depreciation and amortisation	3,411	-	9,406	3	12,820
Share of associates and joint venture (profit)	(5,823)	1,253	72	-	(4,498)
Dividends received from associates	4,308	1,676	-	1,580	7,564
Fair value adjustments on financial assets	2,892	(37)	-	-	2,855
Other fair value adjustments	(820)	-	1,000	-	180
Impairment of assets	52,957	(8,881)	164,693	4,522	213,291
Movement in provision for:					
- doubtful debts	7,100	(814)	(200)	969	7,055
- employee entitlements	7,551	152	3,883	610	12,196
- other provisions	(1,691)	3,377	3,081	-	4,767
Other writedowns	1,231	-	59	-	1,290
Profit/(loss) on sale of non-current assets	4	(1,854)	(224)	-	(2,074)
Cost of share based payments	-	-	-	753	753
Interest received	4,357	196	34	649	5,236
Interest and other costs of finance paid	(1,081)	(8)	(80)	(16,532)	(17,701)
Tax (paid)/refund	(790)	-	(5)	1,243	448
Other non cash items	28	-	(61)	(233)	(266)
	3,706	(6,758)	18,694	(21,053)	(5,411)
Movement in working capital	20,711	(15,276)	(27,096)	(3,051)	(24,712)
Operating cash flow	24,417	(22,034)	(8,402)	(24,104)	(30,123)
Payment for property, plant and equipment	(1,472)	-	(1,632)	-	(3,104)
Payment for controlled entities, net of cash acquired	(1,261)	-	-	-	(1,261)
Payment for design and development capitalised	-	-	(8,726)	-	(8,726)
Proceeds from sale of non current assets held for sale	-	23,006	-	-	23,006
Proceeds from sale of property, plant and equipment	192	-	-	-	192
Proceeds from sale of intangibles	-	-	566	-	566
Payment for acquisition of non-controlling interest	(189)	-	-	-	(189)
Repayment of loans by associated entities	-	750	-	-	750
Loans repaid by growers	-	2,350	-	-	2,350
Investing cash flow	(2,730)	26,106	(9,792)	-	13,584
Proceeds from sale of reserved shares	-	-	-	7	7
Intercompany movement	(4,356)	10,590	24,949	(31,183)	-
Partnership profit distributions/dividends paid	(1,963)	-	-	-	(1,963)
Other flows	(6,319)	10,590	24,949	(31,176)	(1,956)
Total Flows	15,368	14,662	6,755	(55,280)	(18,495)

Opening net debt	(295,365)
Total flows	(18,495)
Fair value adjustment to debt	(258)
Closing net debt	(314,118)

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FOR THE HALF YEAR ENDED 31 MARCH 2013

NOTE 15 SUPPLEMENTARY STATEMENT OF NET DEBT

6 months March 2012	Rural Services	Forestry	Automotive Compon-ents	Investment & Other	Total
	$000	$000	$000	$000	$000
Earnings before interest & tax	19,580	(12,834)	10,142	(4,736)	12,152
Depreciation and amortisation	3,277	-	8,637	4	11,918
Share of associates and joint venture (profit)	(5,204)	1,174	335	-	(3,695)
Dividends received from associates	3,750	-	-	-	3,750
Fair value adjustments on financial assets	(5,353)	(72)	-	-	(5,425)
Other fair value adjustments	(791)	-	(5,672)	-	(6,463)
Impairment of assets	684	(1,085)	-	-	(401)
Movement in provision for:					
- doubtful debts	466	-	(250)	-	216
- employee entitlements	7,837	416	5,714	133	14,100
- other provisions	2,157	-	296	-	2,453
Other writedowns	1,564	-	(483)	-	1,081
Profit/(loss) on sale of non-current assets	112	825	-	-	937
Cost of share based payments	-	-	-	1,312	1,312
Interest received	4,826	147	91	1,026	6,090
Interest and other costs of finance paid	(1,046)	(105)	(77)	(18,537)	(19,765)
Tax (paid)/refund	(2,095)	-	-	493	(1,602)
Other non cash items	(1,007)	-	1,090	454	537
	28,757	(11,534)	19,823	(19,851)	17,195
Movement in working capital	(21,103)	(14,014)	(20,704)	(1,261)	(57,082)
Operating cash flow	7,654	(25,548)	(881)	(21,112)	(39,887)
Payments for property, plant and equipment	(1,409)	-	(321)	-	(1,730)
Purchase for intangibles	(3,129)	-	-	-	(3,129)
Purchase of controlled entity, net of cash acquired	(1,042)	-	1,790	-	748
Payment for design and development capitalised	-	-	(4,534)	-	(4,534)
Proceeds from sale of non current assets held for sale	-	22,094	-	-	22,094
Proceeds from sale of property, plant and equipment	121	-	-	-	121
Proceeds from sale of investment property	2,730	-	-	-	2,730
Payment for acquisition of non-controlling interest	(3,124)	-	-	-	(3,124)
Loans repaid by growers	-	180	-	-	180
Investing cash flow	(5,853)	22,274	(3,065)	-	13,356
Proceeds from sale of reserved shares	-	-	-	31	31
Intercompany movement	(16,635)	11,365	4,274	996	-
Partnership profit distributions	(1,452)	-	-	-	(1,452)
Other flows	(18,087)	11,365	4,274	1,027	(1,421)
Total Flows	(16,286)	8,091	328	(20,085)	(27,952)
Opening net debt					(345,450)
Total flows					(27,952)
Closing net debt					(373,402)

NOTE 15 SUPPLEMENTARY STATEMENT OF NET DEBT

(b) Reconciliation of net debt balance to balance sheet

	March 2013 $000	March 2012 $000
Cash and cash equivalents	**73,266**	62,514
Interest Bearing Loans and Borrowings	**(386,521)**	(435,916)
Derivatives on Interest Bearing Loans and Borrowings	**(863)**	-
	(314,118)	(373,402)

NOTE 16 EARNINGS PER SHARE

The following reflects the net profit/(loss) and share data used in the calculations of earnings per share (EPS):

Weighted average number of ordinary shares ('000) used in calculating basic EPS	**448,598**	448,598
Dilutive share options ('000)	**1,234,756**	698,144
Adjusted weighted average number of ordinary shares used in calculating dilutive EPS ('000)	**1,683,354**	1,146,742

Hybrid notes have been included in the calculation of dilutive EPS, as they are believed to be dilutive when a statutory profit is made.

Reported operations		
Basic		
Net profit/(loss) attributable to members (after tax)	**(303,163)**	47,102
Dilutive		
Net profit/(loss) attributable to members (after tax)	**(303,163)**	47,102
Reported operations earnings per share:		
Basic earnings per share (cents per share)	**(67.6)¢**	10.5 ¢
Diluted earnings per share (cents per share)	**(67.6)¢**	4.1 ¢
Continuing operations		
Basic		
Net profit/(loss) attributable to members (after tax)	**(303,163)**	47,102
Less: Net loss/(profit) of discontinued operations (net of tax)	**148,921**	2,501
Net profit/(loss) of continuing operations (net of tax)	**(154,242)**	49,603
Dilutive		
Net profit/(loss) of continuing operations (net of tax)	**(154,242)**	49,603
Continuing operations earnings per share:		
Basic earnings per share (cents per share)	**(34.4)¢**	11.1 ¢
Diluted earnings per share (cents per share)	**(34.4)¢**	4.3 ¢
Discontinued operations		
Net profit/(loss) of discontinued operations (net of tax)	**(148,921)**	(2,501)
Discontinued operations earnings per share:		
Basic earnings per share (cents per share)	**(33.2)¢**	(0.6)¢
Diluted earnings per share (cents per share)	**(33.2)¢**	(0.6)¢

NOTE 17 BUSINESS COMBINATIONS – CHANGES IN THE COMPOSITION OF THE ENTITY

During the period there were immaterial business combinations that resulted in $0.2 million of goodwill being recognised.

Prior period acquisitions

The Group held a 70% interest in Futuris Automotive Interiors (Anhui) Company Ltd, which in prior reporting periods was considered to be a jointly controlled entity due to the control provided in the shareholders' agreement to the minority parties. As at 1 October 2011 it was determined that the relationship between the Group and the minority shareholders had changed to an extent that it was appropriate to account for the investment as a controlled entity rather than as a jointly controlled entity. The provisional business combination reported within the March 2012 financial report resulted in the recognition of $0.4 million of goodwill.

Subsequently formal valuations of all assets and liabilities have been finalised. This has resulted in adjustments to the acquisition accounting, which is detailed below.

	Date Control Acquired	Provisional fair value March 2012 $000	**Final March 2012 $000**
	1 Oct 2011		
Fair value of initial investment		10,312	**15,984**
Non-controlling interest - share of fair value of net assets		4,227	**2,216**
Total consideration		14,539	**18,200**
Fair value of identifiable net assets acquired (see below)		14,090	**7,386**
Goodwill on acquisition		449	**10,814**

The aggregate amounts of assets and liabilities acquired by major class:

	Acquiree's carrying amount $000	Provisional fair value	**Final fair value $000**
Cash and cash equivalents	1,791	1,791	**1,791**
Trade and other receivables	7,439	7,439	**7,439**
Inventories	1,376	1,376	**1,376**
Property, plant and equipment	6,733	6,733	**6,733**
Intangibles	938	938	**938**
Other assets	8,001	8,001	**1,297**
Trade and other payables	(11,928)	(11,928)	**(11,928)**
Provisions	(260)	(260)	**(260)**
Net identifiable assets acquired	14,090	14,090	**7,386**

During the prior period there were no other material business combinations or disposals.

NOTE 18 DISCONTINUED OPERATIONS

Financial period 31 March 2013

On 15 August 2012, the Group announced the intended sale of Futuris Automotive and initiated an active program to locate a buyer and complete the sale. There are several interested parties and the sale is expected to be completed in the near future. As at 31 March 2013, the Board of Directors resolved that the Automotive divestment had progressed to a stage where it was appropriate to classify the Automotive segment as held for sale. As Automotive is classified as held for sale and there is a single coordinated plan to divest this separate major line of business operations, it is also appropriate to classify the divisions' results within discontinued operations. Refer below for further details.

As required by AASB 5 Non-current Assets Held for Sale and Discontinued Operations the 2012 comparative discontinued operations disclosed below have been re-presented to show the effects of these classifications.

Financial period 31 March 2012
The Group's investment in Seed Technology and Marketing Pty Ltd ('Seedmark'), which forms part of the Rural Services segment, was classified as held for sale on 31 March 2012.

The Group's Forestry division continues to be classified as discontinued operations in the current financial period.

	Cont 6 months March 2013 $000	**Disc 6 months March 2013 $000**	**Total 6 months March 2013 $000**	Cont 6 Months March 2012 $000	Disc 6 Months March 2012 $000	Total 6 Months March 2012 $000
Sales revenue	**751,851**	**175,398**	**927,249**	860,507	177,976	1,038,483
Cost of sales	**(581,428)**	**(155,553)**	**(736,981)**	(665,478)	(158,377)	(823,855)
Other revenues	**1,665**	**8,573**	**10,238**	7,678	10,728	18,406
Other expenses	**(264,912)**	**(191,493)**	**(456,405)**	(192,642)	(30,998)	(223,640)
Share of profit of associates and joint ventures	**4,570**	**(72)**	**4,498**	4,524	(829)	3,695
Profit/(loss) on sale of non current assets	**(4)**	**2,078**	**2,074**	(105)	(832)	(937)
Interest revenue	**5,006**	**230**	**5,236**	16,752	238	16,990
Finance costs	**(19,308)**	**(685)**	**(19,993)**	(19,978)	(182)	(20,160)
Profit/(loss) before tax expense	**(102,560)**	**(161,524)**	**(264,084)**	11,258	(2,276)	8,982
Income tax benefit/(expense)	**(49,690)**	**13,038**	**(36,652)**	39,902	(352)	39,550
Net profit/(loss) for the period	**(152,250)**	**(148,486)**	**(300,736)**	51,160	(2,628)	48,532
Net profit/(loss) attributable to non-controlling interest	**1,992**	**435**	**2,427**	1,557	(127)	1,430
Net profit/(loss) attributable to members of the parent entity	**(154,242)**	**(148,921)**	**(303,163)**	49,603	(2,501)	47,102
Revenue and expenses						
Sales revenue:						
Sale of goods and biological assets	**648,163**	**174,712**	**822,875**	741,974	176,509	918,483
Commission and other selling charges	**88,363**	**588**	**88,951**	103,726	1,030	104,756
Other sales related income	**15,325**	**98**	**15,423**	14,807	437	15,244
	751,851	**175,398**	**927,249**	860,507	177,976	1,038,483
Other expenses:						
Distribution expenses	**128,886**	**3**	**128,889**	131,234	(478)	130,756
Marketing expenses	**3,802**	**175**	**3,977**	4,651	202	4,853
Occupancy expenses	**17,466**	**1,700**	**19,166**	16,329	2,217	18,546
Administrative expenses	**35,558**	**29,100**	**64,658**	38,314	31,801	70,115
Forestry fair value adjustments	**3,377**	**(13,225)**	**(9,848)**	-	(690)	(690)
Write down of assets to be divested or discontinued	**-**	**171,754**	**171,754**	-	488	488
Impairment of assets retained	**56,300**	**-**	**56,300**	-	-	-
Restructuring, redundancy and refinancing costs	**16,631**	**1,450**	**18,081**	2,114	(3,807)	(1,693)
Change in fair value of financial and other assets	**2,892**	**536**	**3,428**	-	1,265	1,265
	264,912	**191,493**	**456,405**	192,642	30,998	223,640
Profit/(loss) on sale of non current assets:						
Non current assets held for sale	**-**	**1,854**	**1,854**	-	(825)	(825)
Property, plant and equipment	**(4)**	**-**	**(4)**	(105)	(7)	(112)
Intangibles	**-**	**224**	**224**	-	-	-
	(4)	**2,078**	**2,074**	(105)	(832)	(937)

NOTE 18 DISCONTINUED OPERATIONS

(a) Assets and liabilities – held for sale operations

	March 2013 $000	September 2012 $000
Non Current assets classified as held for sale		
Forestry assets (i)		
Receivables	**26,540**	12,260
Investments in associates and joint ventures	**-**	1,726
Property, plant and equipment	**340**	340
Investment property	**33,020**	52,637
	59,900	66,963
Automotive assets (ii)		
Receivables	**97,174**	-
Inventory	**40,960**	-
Other	**39,553**	-
Investments in associates and joint ventures	**369**	-
Deferred tax assets	**6,172**	-
	184,228	-
Other	**-**	4,511
	244,128	71,474
Liabilities directly associated with assets held for sale		
Automotive liabilities (ii)		
Payables	**73,436**	-
Derivative financial instruments	**182**	-
Provisions	**23,581**	-
Deferred tax liabilities	**11,932**	
	109,131	-

NOTE 18 DISCONTINUED OPERATIONS

(i) Forestry assets

As announced by the Company on 3 October 2011, the Board of Directors have resolved that all operations of the Group's Forestry division would be held for sale, effective 30 September 2011.

The Forestry division comprises a number of separate disposal groups. The disposal groups are Pulpwood, Sandalwood, Red Mahogany, Teak, Central Queensland land, and the Grower loan book. The major classes of assets within the disposal groups are receivables, accrued income, and investment properties. There may be factors beyond the Group's control that impact the timing of the ultimate sale of these disposal groups however at present it is expected all disposal groups will be sold within twelve months.

Liabilities have also been recognised as a result of classifying the Forestry division as held for sale. Where it is expected that these liabilities will be settled and not sold to third parties they have been treated as part of continuing operations as they do not meet the accounting standard requirements of held for sale.

All disposal groups are reported in the Forestry segment as detailed in Note 14 of the financial report.

During the 6 months ended 31 March 2013, fair value reversals of $13.2 million have been recognised to revalue these assets to the lower of their carrying value or fair value less costs to sell.

In addition, further provisions of $3.4 million for onerous leases and other obligations have been raised during the period.

(ii) Automotive assets and liabilities

On 15 August 2012, the Group announced the intended sale of Futuris Automotive and initiated an active program to locate a buyer and complete the sale. There are several interested parties and the sale is expected to be completed in the near future. As at 31 March 2013, the Board of Directors resolved that the Automotive divestment had progressed to a stage where it was appropriate to classify the Automotive segment as held for sale. As Automotive is classified as held for sale and there is a single coordinated plan to divest this separate major line of business operations, it is also appropriate to classify Automotive as a discontinued operation.

On transfer to held for sale, the following impairments have been recognised to revalue the segment to the lower of carrying amount or fair value less costs to sell.

	6 Months March 2013 $000	6 Months March 2012 $000
Property, plant and equipment	**47,186**	-
Intangibles	**119,307**	-
	166,493	-

NOTE 19 SUBSEQUENT EVENTS

There is no matter or circumstance that has arisen since 31 March 2013 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 the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Elders Limited, I state that:

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 2013 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) subject to the material uncertainties set out in note 2(a), 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 C Ballard
Chairman

M G Jackman
Director

Adelaide
31 May 2013

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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, which comprises the statement of financial position as at 31 March 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the 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 controls as the directors determine are 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 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 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 2013 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 and the entities it controlled during the half-year, 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*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

ERNST & YOUNG

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:

a) giving a true and fair view of the consolidated entity's financial position as at 31 March 2013 and of its performance for the half-year ended on that date; and

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

Material Uncertainty Regarding Continuation as a Going Concern

Without qualification to the opinion expressed above, attention is drawn to Note 2(a) within the half year financial report. Note 2(a) discloses that the accounts have been prepared by Elders Limited with reliance on the ability of Elders Limited to meet the expected debt repayments from the proceeds of the asset sale process. Note 2(a) also discloses various matters regarding the going concern status of Elders Limited. There is material uncertainty over whether Elders Limited will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities at the amounts stated in the financial report is dependent on these matters.

Material Uncertainty Regarding Carrying Values of Assets

Further, we draw attention to the accounting policy at Note 8 which discloses that Rural Services assets have been tested for impairment using the higher of value in use and fair value less costs to sell and to note 4 which discloses that the Automotive and Forestry assets have been held at fair value less costs to sell. In the absence of committed sale transactions, there is material uncertainty the ultimate realisable values will recover the amounts reflected in the financial statements.

Ernst & Young

Ernst & Young

Mark Phelps
Partner
Adelaide
31 May 2013

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Auditor's Independence Declaration to the Directors of Elders Limited

In relation to our review of the financial report of Elders Limited for the half-year ended 31 March 2013, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Mark Phelps
Partner
Adelaide
31 May 2013