



27 June 2013

## ELDPA Hybrid Distributions

Elders (ASX:ELD) gives notice that it will not pay a distribution to Hybrid holders in respect of the Distribution Periods ending 29 June 2013 and 29 September 2013.

Hybrid holders will be aware that the Company's syndicated debt package prohibits payment of hybrid distributions (and dividends in respect of ordinary shares) until such time as the repayment of that syndicated debt.

In its previous notice to Hybrid holders on 28 December 2012, it was envisaged that all proceeds from the sale of its Rural Services (ERS) business would, in conjunction with any proceeds from the sale of Futuris Automotive, be used to repay debt. However as the Company informed the ASX on 18 June 2013, an inadequate offer was received for its ERS business, and as a result the Company, with the continued support of its banking syndicate, is now considering alternative strategies. These strategies include amongst other things refinancing, restructuring, and continuing discussions with interested parties.

Directors will consider the payment of distributions again in respect of the Distribution Period ending 30 December 2013.

Written notice of the Company's determination in the form attached will be provided to each hybrid holder.

### **Further Comment:**

Malcolm Jackman  
Chief Executive Officer  
0439 642 876



27 June 2013

Mr John Smith  
Flat 123  
123 Sample Street  
Sampleville SA 5000

Dear Elders hybrid holder,

**Elders Hybrids: Notice of no Distributions for Distribution Periods ending 29 June 2013 and 29 September 2013.**

I am writing to you in respect of the Distribution Periods (as that term is defined in the Company's hybrid prospectus dated 28 February 2006) ending 29 June 2013 and 29 September 2013.

As previously communicated to Hybrid holders, the Company's finance package from its syndicated lenders prohibits the payment of distributions to hybrid holders and ordinary shareholders until the repayment of all syndicated debt. In light of that prohibition the Company gives notice to you that it will not pay Distributions in respect of any hybrids for the Distribution Periods ending 29 June 2013 and 29 September 2013.

The Company currently expects that some syndicated debt will be repaid after the sale by the Company of its Futuris Automotive (Futuris) business. However, as indicated in its announcement to the ASX on 18 June 2013, the Company is now considering alternative strategies for its Rural Services business having rejected an inadequate offer received for that business.

As a result, Directors will next consider whether the Company is in a position to make a Distribution in respect of its hybrids for the Distribution Period ending 30 December 2013, having regard to the progress of those alternative strategies for ERS, the Futuris divestment, the terms of its debt agreements and the retained earnings position of the Company at that time.

Yours faithfully,

A handwritten signature in black ink, appearing to be "Malcolm Jackman".

Malcolm Jackman  
Chief Executive and Managing Director