

Cairns Post

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HD **Elders reaps rewards**
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AGRIBUSINESS Elders has narrowed its half year loss to \$10.2 **million** and expects continued improvement over the full year.

Elders is starting to reap the benefits of extensive "non-core" asset sales, restructuring and management changes as it nears its aim of becoming a "pure" rural services provider.

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Its result for the six months to March 31 was an improvement on a \$303 **million** loss in the same period a year earlier.

The latest loss included one-off items totalling \$16.8 **million** linked to businesses that the **company** no longer operates and the value of assets it is looking to sell.

The first-half loss of 2013 contained \$280 **million** in impairments and writedowns, including a \$167 **million** impairment charge on Elders' Futuris Automotive car interiors **business** which the **group** has since **sold**.

Excluding one-off items, Elders' underlying profit of \$6.7 **million** was up from an underlying loss of \$23.7 **million** in the prior corresponding period. Managing director Mark Allison said Elders was on the way to generating value for its shareholders, after posting a \$30.4 **million** turnaround in underlying performance.

Every part of the **business** delivered improved results in spite of variable seasonal conditions, which included drought in much of north eastern Australia.

"We see this as the start of the 'pure play' agribusiness journey and a sound outcome for the first six months ..." Mr Allison said.

Elders had cut costs and debt, improved margins, and lifted cash flow. The **company**'s traditional operations – livestock, wool, real estate and grain – had made the biggest contribution to improved margins.

Elders said seasonal and market conditions were encouraging. Cattle prices were recovering, sheep prices were strong, and demand from Indonesia, Vietnam, **China** and eastern Europe for live cattle was healthy.

There was strong demand for Australian cattle, particularly from Indonesia. Demand for breeding cattle remained strong, particularly **dairy** heifers from Australia and New Zealand for **Chinese milk** production.

"The second half outlook is positive ... and we expect ongoing improvement against last year," Mr Allison said. Shares in Elders were 0.5 cents higher at 12 cents.

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