



MACQUARIE  
ACN 002 574 923

# Macquarie Private Wealth



## Elders

### Business Description

Elders Limited (ELD, formerly Futuris Corporation) principal activities are in three divisions - Rural, Financial and Real Estate. It was acquired by Futuris in 1996 and now has a broad exposure to a number of activities including the sale of inputs and outputs from broadacre and intensive agriculture, supply chain operations in livestock, wool, fertiliser chains, and the provision of financial and property services.

### Strategy Analysis

Elders operates principally in three very different sectors - Rural Services, Forestry MIS and Automotive. The sale of a number of non-rural assets, including the insurance underwriting business, is a signal that ELD is shifting its focus to the agri-service business and will increasingly focus on these activities going forward. The automotive business is considered non-core and the company plans to divest this business when the automotive market recovers. Elders reported statutory net loss of \$415.4m for the year ended 30 June 2009. Revenues from ordinary activities were \$3.0bn, down 13% from last year. Statutory EPS was minus 44 cents compared to 4.4 cents last year. The net operating cash outflow was \$370.8m compared to an outflow of \$14.1m in the pcp. No dividend was declared.

28 July 2010

### Recommendation

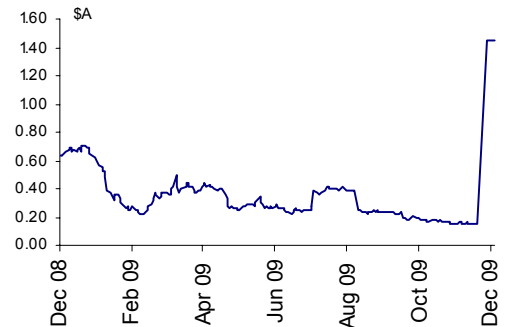
Recommendation: Neutral  
Relative to: Small Ind (ex Fins)

### Investment Fundamentals

ASX code: ELD  
Stock price: \$0.45  
Market cap: \$202m

	Y/E 30/06/2010	2010e	2011e	2012e	2013e
Reported e	\$m	-189.7	2.7	17.1	18.6
Adjusted e	\$m	-19.1	2.7	17.1	18.6
EPS adjusted	¢	-4.2	0.6	3.8	4.2
EPS growth	%	-3.2	-114.0	542.3	9.3
PE	x	-10.6	76.0	11.8	10.8
PE relative	x	-0.6	5.9	1.1	1.1
DPS	¢	0.0	0.0	0.0	
Yield	%				
Franking	%	0.0	0.0	0.0	

### Share Price



Source: ASX and Company accounts

### Segment Performance

Results by Industry	Revenue (%)	Return on Sales (%)	Return on Assets (%)	Annual Shareholders' Return	
				1 year	3 year
Rural Services	71.3	-34.1	-10.6	-88.0%	
Financial Services	14.5	97.7	29.5	-72.0%	
Automotive Components	9.3	-30.6	-16.8	-52.0%	
Forestry	4.8	-13.9	-54.7		
Investment & Other	0.1	-71.4	-2712.3		
<b>Total</b>	<b>100.0</b>	<b>-52.3</b>	<b>-2764.9</b>		
<b>Results by Geography</b>					
Australia	100.0		100.0		
<b>Total</b>	<b>100.0</b>				

### Company contact details:

Elders Limited  
Level 3, 27 Currie St  
Adelaide SA 5000  
Tel: (08) 8425 4999

[www.futuris.com.au](http://www.futuris.com.au)

**If you have any queries regarding this Research information or with any aspect of your legal super account please call legal super on 1800 060 312 (freecall) or email [mail@legalsuper.com.au](mailto:mail@legalsuper.com.au)**

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