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Company Announcements Office  
Australian Securities Exchange

## **Elders Shareholders Approve Recapitalisation Proposal**

Elders Ltd (ASX:ELD) will proceed with its \$550 million recapitalisation plans after shareholders approved the proposals at an Extraordinary General Meeting in Adelaide today.

Separate resolutions for a fully underwritten \$400 million conditional placement to institutions and a \$150 million Share Purchase Plan (SPP) (underwritten to \$75 million) were approved on a show of hands. Both resolutions were unanimously recommended by the Company's Directors.

Over 4,350 shareholders with holdings totalling some 309 million shares voted on the resolutions. Institutions who participated in the \$400 million Conditional Placement, including many of Elders' largest institutional holders, were ineligible to vote.

Proxies lodged prior to the meeting were decidedly in favour of both resolutions, over 83% of shareholders lodging proxies supported the Conditional Placement, with 12% lodging open proxies and just 4% opposed to the Conditional Placement. These proxies respectively accounted for 62%, 2% and 36% of the shares voting. The SPP attracted slightly stronger support, with 85% of proxies received supporting it, 12% of proxies being open and 3% opposed to the resolution. These proxies respectively represented 64%, 2% and 34% of the shares voting on the resolution, and meant the resolutions would both easily have been passed by the required majority on a poll.

Elders will receive the funds from the Conditional Placement on 19 October 2009. The SPP remains open until 5pm on 23 October 2009, with funds from the SPP being received by the Company on 30 October 2009.

Completion of the institutional placement and SPP, together with the asset sales identified in the prospectus issued for the SPP are expected to raise approximately \$989 million assuming the SPP raises the full \$150 million. As set out in the prospectus, this would result in Elders reducing its pro-form net debt as at 30 June 2009 to approximately \$200 million and pro-forma gearing to 14%.

Elders' Chairman Stephen Gerlach told shareholders that approval of the resolutions would enable Elders to move ahead with its recapitalisation and refinancing process and emerge with a bigger and stronger balance sheet and an expanded share base with a significant increase in institutional investor support.

