



28 July 2014

## Eight Point Plan

- **Elders sets objectives for next 3 years**
- **Simplified agricultural focus to enhance growth prospects**

Elders (ASX:ELD) today releases its strategic plan for the next three years a copy of which is attached to this announcement.

Elders CEO, Mark Allison, said that, "The Eight Point Plan marks a significant step in Elders' evolution to being an efficient user of capital that produces acceptable returns for all its stakeholders.

"The Eight Point Plan is the culmination of the efforts of all our staff to identify what we exist for, what we excel at, and how we want to deliver the needs of our clients. This plan identifies our sustainable competitive advantages as an agribusiness and by product and geography and anchors our future growth and development on these advantages. Through a distillation of ideas that have been presented by staff and the Board, we have selected eight tangible and achievable agribusiness objectives that we feel confident we can execute over the next three years.

"The Eight Point Plan is accompanied by an aspirational target of creating sustainable EBIT of \$60m and return on capital of 20% in and from FY2017. Whilst a lot of hard work is yet to be done to get there, and whilst agriculture is always subject to climactic and market conditions, we are confident that the foundations for growth are now in place and will be enhanced by the Plan.

"Elders seeks to reclaim its place as the agribusiness delivering the greatest real value to all its stakeholders in both Australia and internationally. Understanding and delivering on the needs of our clients is key to that goal. We firmly believe that the business performance is responding to and will be further enhanced by implementation of the Eight Point Plan."

### **Further Comment:**

Mark Allison  
Chief Executive Officer  
0439 030 905



# Eight Point Plan

Mark Allison

MD & CEO

28 July 2014



# Strategic intent



To grow to a sustainable EBIT of \$60m and ROC of 20% in 2017 by offering value creating products and services through our Australian and international agribusiness networks.

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• • • **8 Point Plan**

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**Values,  
Performance & Brand**  
Delivering our strategies  
through a values, safety and  
performance based culture that  
maximises the iconic Elders  
brand and positioning

• •  
**Geographical  
Coverage &  
Distribution Channels**  
Strengthening and  
expanding our range of  
distribution channels

• • •  
**Retail products**  
Business improvement  
of our farm supplies and  
fertiliser products

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**Agency Services**  
Strengthening and expansion  
of our wool, livestock, real  
estate and grain products

**STRATEGIC INTENT:**  
Elders will be an  
agribusiness creating real  
value for all stakeholders  
in both Australian and  
international markets

• • •  
• • •  
**Financial Services**  
Strengthening and expansion  
of our banking, insurance, and  
financial planning products

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• • •  
**Feed &  
Processing Services**  
Improvement and  
expansion of our feed and  
processing business

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**Live Export Services**  
Controlled growth of our  
live export business

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**Cost, Capital & Efficiency**  
Continuous efficiency  
gains with cost and  
capital reduction

# Values, performance and brand

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Values,  
Performance & Brand  
Delivering our strategies  
through a values, safety and  
performance based culture that  
maximises the iconic Elders  
brand and positioning

- Driving significant LTI reduction in manual handling and livestock handling activities
- Incorporating values assessment and development in all “people” activities, eg recruitment, training, performance management , talent & succession, and remuneration
- Embedding performance management mindset and processes including establishing performance expectations to effectively manage under performance and reward high performance
- Developing and renewing our leadership capability
- Developing and delivering the Elders positioning and branding plan

# Geographical coverage and distribution channels

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**Geographical  
Coverage &  
Distribution Channels**  
Strengthening and  
expanding our range of  
distribution channels

- Development and implementation of a comprehensive branch benchmarking and improvement plan
- Development and implementation of innovative branch models
- Development and implementation of a farm supplies wholesale business model
- Aggressive and profitable expansion of the Agsure online platform
- Aggressive and profitable expansion of the AuctionsPlus online platform
- Realigned Key Account Management group focussed on top end corporate clients
- Development and implementation of a foreign investment group to capture international new business opportunities


# Retail products

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**Retail products**  
Business improvement  
of our farm supplies and  
fertiliser products

- Development and implementation of a capital light, ROC driven farm supplies business model
- Development and implementation of a capital light, ROC driven fertiliser business model
- Development and implementation of a product and supplier rationalisation plan for selected farm supplies and fertilisers
- Development and implementation of a national retail margin management system

# Agency services



Agency Services  
Strengthening and expansion  
of our wool, livestock, real  
estate and grain products

- Development and implementation of an innovative and mutually beneficial operating model
- Development and implementation of an innovative and mutually beneficial remuneration model
- Selective identification and recruitment of key people across all product areas
- Implementation of Product Specialists (experts) for each product to drive the growth strategies
- Drive capital and regional city development of real estate product



# Financial services



- Refining long term Joint Venture (JV) agreements on mutually beneficial terms and reviewing JV partners where appropriate.
- Development and implementation of innovative and mutually beneficial operating models
- Selective identification and recruitment of key people across all product areas
- Driving cross referrals and maximising opportunities throughout the portfolio

# Feed and processing services



- Development and implementation of enhanced and robust systems and processes to provide financial integrity and transparency
- Development and implementation of a disciplined ROC based feedlot capacity utilisation evaluation and approval process
- Development and implementation of a capital light integrated red meat supply chain (source, feed, process and premium market) business model.
- Implementation of an integrated red meat supply chain model in Chinese, Indonesian, Vietnamese and niche Australian markets

# Live export services



- Development and implementation of enhanced and robust systems and processes to provide financial integrity and transparency
- Development and implementation of a disciplined ROC based live export shipment evaluation and approval process
- Development and implementation of shipment based customer satisfaction reviews
- Development and implementation of growth opportunities for eastern European and middle eastern markets

# Cost, capital and efficiency



- Development and implementation of an ongoing efficiency and cost reduction programs for functional areas
- Development and implementation of an ongoing efficiency and cost reduction programs for product areas
- Development and implementation of an ongoing efficiency and cost reduction programs for all geographies
- Methodical review and cost reduction of all discretionary expenditure areas
- Development and implementation of capital efficiency and capital reduction programs



## 8 Point Plan

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**Values, Performance & Brand**  
Delivering our strategies through a values, safety and performance based culture that maximises the iconic Elders brand and positioning

• •  
**Geographical Coverage & Distribution Channels**  
Strengthening and expanding our range of distribution channels

• • •  
**Retail products**  
Business improvement of our farm supplies and fertiliser products

• • •  
**Agency Services**  
Strengthening and expansion of our wool, livestock, real estate and grain products

**STRATEGIC INTENT:**  
Elders will be an agribusiness creating real value for all stakeholders in both Australian and international markets

• • •  
**Financial Services**  
Strengthening and expansion of our banking, insurance, and financial planning products

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**Feed & Processing Services**  
Improvement and expansion of our feed and processing business

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**Live Export Services**  
Controlled growth of our live export business

• • •  
**Cost, Capital & Efficiency**  
Continuous efficiency gains with cost and capital reduction