



18 December 2013

## Trading Investigation Update

Elders (ASX:ELD) advises it has received further preliminary findings from the independent forensic investigator appointed by the company to investigate the accounting discrepancies in the recording of transactions in its Universal Live Export business reported to the ASX by Elders on 1 October, 4 October and 18 November 2013.

As previously advised by Elders, the overstatements relate to certain global cattle trading transactions in the 2012 financial year and 2013 first half. The preliminary findings by the independent forensic investigator, PPB Advisory, conclude that live export trading profits and assets were overstated through non-compliance with Elders' stated livestock accounting policy and accounting standards for these transactions. PPB Advisory found that the discrepancies were supported by falsified documentation and journal entries and misleading management representations made to senior management and external auditors.

PPB Advisory has identified evidence that attributes responsibility for the overstatements to a handful of individuals who were then employees of the Trading business unit.

Whilst Elders is yet to receive final reports from PPB Advisory, it has pre-emptively made changes to reporting systems and structures to increase protection against deliberate and collusive breaches of its accounting policies.

In respect of the individuals identified by PPB Advisory as responsible for the overstatements, Elders will consider its position after receipt of the final reports from PPB Advisory. Elders will not hesitate to refer matters to the relevant authorities where applicable.

Elders has taken full account of the financial impact of the discrepancies through the accounting adjustments made in the 2013 financial statements which were announced to the ASX by Elders on 18 November 2013.

The Company reserves further comment on this issue until it has received and considered final reports from PPB Advisory

Peter Hastings  
Company Secretary