



HALF YEAR REPORT 2002



ABN 99 081 890 459



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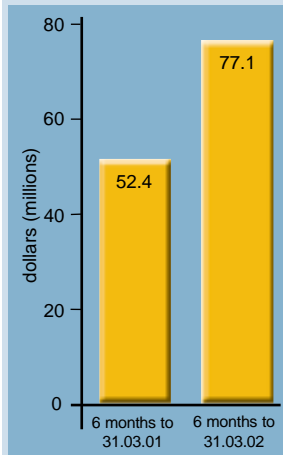
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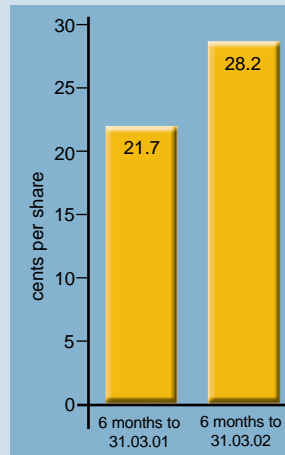
Highlights

for the 6 months ended 31 March 2002

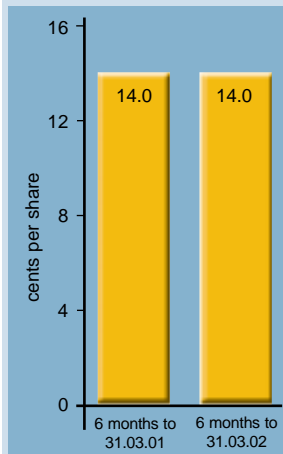
Net Profit After Tax –
up 47% to \$77.1m



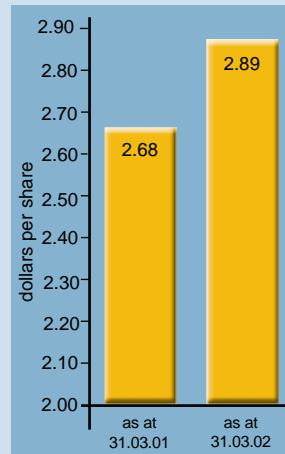
Earnings Per Share –
up 30% to 28.2 cents



Interim dividend –
14 cents per share



Net Tangible Assets per
share – up 8% to \$2.89





The board of AWB Limited, has pleasure in presenting this Half Year Report to shareholders for the period ended 31 March 2002. The report also contains a brief overview of the business operations' performance.

Financial

AWB Limited announced a record after-tax profit of \$77.1 million for the half-year, which represents a 47% increase on the prior corresponding period.

Earnings per share of 28.2 cents is 30% higher than the prior corresponding half-year.

The board declared a fully franked interim dividend of 14 cents per share, distributed to shareholders on 5 July 2002 for shareholders registered as at 24 June 2002. This is the same distribution as the prior corresponding half-year. Additionally, the final dividend will be higher than the previous year.

Business Operations

The major profit contributors for the half-year result were grain contract acquisition products, trading, chartering, finance and risk management products.

As part of our ongoing effort to secure end user demand from customers and create further value for AWB we will open a new office in Geneva, to pursue growth opportunities that support our global asset management strategy.



Andrew Lindberg



Outlook

As previously announced, the board is forecasting a full year profit after tax result at the higher end of the \$100 - \$110 million range for the year ending 30 September 2002.

AWB earnings prospects for financial year 2002 - 2003 are largely contingent on the plantings of wheat and other grains. National Oceanic and Atmospheric Administration forecasters have indicated that a weak to moderate El Niño event is likely to develop during the next six-to-nine months, but the impact should be less than that experienced during the strong 1997 - 1998 El Niño when wheat production was reduced by 20% to 19.2 million tonnes.

AWB is facing a tough export environment with competition from traditional exporters such as the USA and Canada. Significant market price pressure is being applied by India and Eastern European origin wheats into traditional Australian markets.

Future earnings growth for AWB will be generated by strengthening the core wheat business, broadening the range and volume of grains under management, expanding the range of financial and risk management products and investing in processing and branded products.

The board is confident that the ongoing focus on financial performance will continue to deliver satisfactory investment returns to all shareholders.

Brendan Stewart
Chairman

Andrew Lindberg
Managing Director



Business Operations' Performance

	Half Year Ended 31.3.02 (\$m)	Half Year Ended 31.3.01 (\$m)	Variance (%)
EBIT¹			
Pool Management Services	1.8	4.7	62 ▼
Grain Acquisition & Trading	52.5	35.6	48 ▲
Grain Technology	(0.9)	(0.9)	–
Supply Chain & Other Investments	22.5	6.2	263 ▲
Interest Expense	(10.4)	(14.8)	30 ▼
Finance & Risk Management Products	50.7	55.9	9 ▼
Corporate	(7.0)	(8.4)	17 ▼
Operating Profit Before Tax	109.2	78.3	40 ▲
Net Profit After Tax	77.1	52.4	47 ▲

¹ Earnings Before Interest and Tax

Pool Management Services

AWB provides services to enable AWB International, to operate the National Pool and receives a fee for the provision of these services.

The new performance-based remuneration structure which rewards (or penalises) AWB on a commercial basis, began this financial year. This commercial structure aligns the mandate of AWB International to maximise net National Pool returns with the mandate of AWB by creating incentive for investment and improvement in performance.



For the half-year Pool Management Services contributed \$1.8m (EBIT). This \$2.9m decrease on the previous corresponding period occurred because the half-year EBIT contribution for Pool Management Services only included the base fee component for the current reporting period. The contribution in the second half is expected to be significantly higher because the out-performance incentive and remaining base fee will be included.

Grain Acquisition and Trading

Grain Acquisition and Trading contributed \$52.5m (EBIT) for the half-year, an increase of \$16.9m.

Wheat trading activity was the main contributor due to a significant increase in volumes traded.

EBIT was assisted by favourable market conditions, which resulted in improvements in the value of physical wheat, which was greater than decreases in the value of the derivatives position.

Grain contract acquisition products, in particular the AWB *multiV* product, had a significant increase in tonnage contracted compared with the previous half-year.

Grain Technology

Earnings remained consistent generating a loss of \$0.9m. The sale of the Seeds Services Laboratory, Seed Processing business and Toowoomba Laboratory were finalised.



Business Operations' Performance

Supply Chain and Other Investments

Supply Chain and Other Investments generated \$22.5m (EBIT), a \$16.3m improvement on the prior corresponding period.

Chartering accounted for the bulk of the increase because of an improved trading performance on higher trading margins as a result of a successful short trading strategy.

Melbourne Port Terminal achieved a strong EBIT contribution, which is consistent with the prior period.

AWB's seven new grain centres in Victoria and New South Wales have provided positive earnings before interest, tax, depreciation and amortisation despite the fact that all sites (other than Dimboola) are in their first year of operation.

Further domestic supply chain investments will be announced in 2002 and 2003.

Earnings from overseas investments have also increased from the prior period due to higher margins achieved by the AWB-Zenoh joint venture in Japan and an increased contribution by Five Star Flour Mills in Egypt following the mill expansion.



Finance and Risk Management Products

Earnings before tax declined by \$5.2m to \$50.7m.

The reduction is principally due to timing of the recognition of underwriting premium. Underwriting revenue is recognised at the half-year in accordance with the level of underwriting risk. The forecast full-year contribution from underwriting is expected to be consistent with the prior year.

Higher average wheat prices have resulted in the average loan book exceeding the previous period. Interest dollar margins are consistent with the prior period. Although the amount lent to growers is higher than 2000 - 2001 due to improved cashflow positions, some growers elected not to take loans this year. This will be a season to season issue. Competition from other financial institutions has had a relatively minor impact.

The new start-up advisory service, AWB *riskassist*, has made a positive contribution to earnings this half-year. The introduction of new products is expected to lift its earnings contribution for 2002 - 2003. AWB Basis Pool has also increased its earnings on the prior period, mainly due to better margins.

Corporate

Corporate costs (unallocated overheads) generated a \$7.0m pre-tax expense, a decrease of \$1.4m compared to the prior period. The reason for the decrease is due to timing differences which are expected to reverse in the next 6 months. Corporate costs for the full year are expected to be at least at the level of 2000 - 2001.



Australia's Grain Growers

AWB is Australia's major grain marketer and one of the world's largest wheat managers with a heritage dating back 60 years.

We rely for our success on the loyalty and support of Australia's grain growing families.

AWB is chosen by most Australian grain growers, and particularly wheat growers to market and finance their grain.

More than 80% of the 2002 interim dividend of \$38.3m was paid to wheat growing shareholders.

AWB has built on its strong performance over the past 18 months to expand its presence in rural and regional Australia to improve direct services to growers. We have doubled regional staff numbers and increased the number of area offices to 28, spread across 14 new Business Regions throughout Australia's wheatbelt.

The changes are part of a major upgrade to AWB's Grower Services network aimed at better meeting the needs of our grain growers.

AWB has established a Grower Relations Division with managers based in Adelaide, Melbourne, Perth and Tamworth responsible for addressing major issues impacting on AWB's relationship with individual growers and their representative bodies.



Financial Performance

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Financial Performance

Statement of Financial Performance

	Half Year Ended 31.3.02 (\$m)	Half Year Ended 31.3.01 (\$m)	Variance (%)
Revenue ¹	1,561.8	1,297.6	20 ▲
Cost of Sales ¹	(1,356.2)	(1,120.9)	21 ▲
Depreciation & Amortisation	(5.6)	(3.4)	65 ▲
Borrowing Costs	(42.3)	(48.7)	13 ▼
Other	(48.5)	(46.3)	5 ▲
Operating Profit Before Tax	109.2	78.3	40 ▲
Net Profit After Tax	77.1	52.4	47 ▲

¹ Revenue of \$1.56 billion is up 20% on the prior corresponding half-year due to higher trading volumes and grain values. Conversely, these same factors resulted in the increase in cost of sales.



Balance Sheet

	As at 31.03.02 (\$m)	As at 31.03.01 (\$m)
ASSETS		
Cash	11.7	12.1
Receivables ²	2,988.4	2,295.4
Investments	17.8	11.0
Inventories	169.3	231.9
Property, Plant & Equipment	126.2	64.6
Other	112.0	109.1
	3,425.4	2,724.1
LIABILITIES		
Payables	230.4	216.0
Interest Bearing Liabilities ³	2,334.8	1,767.2
Provisions	48.9	42.7
Other	21.8	50.5
	2,635.9	2,076.4
NET ASSETS	789.4	647.7

² Receivables increased by \$224.1m, which was due to increased Grain Acquisition and Trading activity. In addition, grower loans increased by \$527.8m due to an increase wheat crop and higher prices.

³ The majority of the increase in interest bearing liabilities is a result of the additional funds required to finance the higher level of grower loans and pool distributions receivable compared to the half-year ended 31 March 2001.



Financial Performance

Cashflow ⁴

For the 6 months ended 31.3.02
\$ million

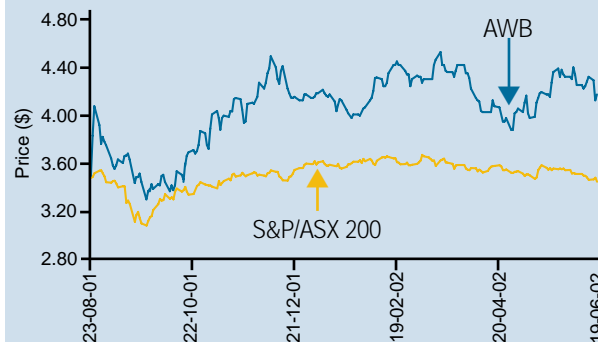
Operating profit before tax	109.2
Tax Paid	(44.7)
Depreciation & Amortisation	5.6
Working Capital Changes ⁵	(406.9)
Capital Expenditure	(26.9)
Dividends Paid	(21.9)
Increase in Loan Book	(967.8)
Net New Equity	(0.5)
Increase in debt	(1,353.9)

⁴ Cashflow mainly used to fund higher grower loan balances

⁵ Working capital cashflows are higher than the prior corresponding period due to higher volumes and grain values in Grain Acquisition & Trading






Share Price vs S&P/ASX 200

AWB's share price has outperformed the S&P/ASX 200 by 21%.





Calendar of Key Dates 2002

	September	October	November	December
Full-Year End		30 th 		
Full-Year Results & Final Dividend Announcement			20 th 	
Ex-dividend date for Final Dividend				2 nd 
Record date for Final Dividend				6 th 
Final Dividend Paid				20 th 



AWB Directors

Note: Dates are subject to change and may vary

Brendan Stewart	<i>Chairman</i>
Robert Barry	<i>Deputy Chairman</i>
Andrew Lindberg	<i>Managing Director</i>
Ian Cush	
Laurie Marshall	
Warrick McClelland	
Christopher Moffet	
Kerry Sanderson	
Brenda Shanahan	
Michael Shanahan	
John Simpson	
John Thame	

Contact Details

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Share registry

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Tel: 1800 810 032
Fax: 1800 800 053

It will assist if you can quote your current address together with your Security Reference Number (SRN) or Holder Identification Number (HIN) as shown on your Issuer Sponsored/CHESS statements.

Change of address or banking details

Shareholders should notify the share registry in writing immediately of changes of address or banking details for dividends electronically credited to a bank account.

Removal from annual report mailing list

Shareholders who no longer want to receive the annual report or the half-year report should call the AWB Share Registrar on 1800 810 032 to register their choice. Shareholders will continue to receive all other information including the notice of the annual general meeting and proxy form. The annual report and half-year report can also be viewed on AWB's website at www.awb.com.au, under "Investor Relations"

Investor relations

Investors with questions regarding AWB financial information are invited to contact:

Michael Thomas
Head of Investor Relations

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managing grain assets