

Annual Shareholder Report

Gordon Davis

Managing Director

Annual General Meeting

12 February 2008



Results in line with guidance

- Underlying profit before tax and amortisation of \$91.8m
- Reported net profit after tax and significant items of \$27.1m
- Final dividend of 4.0 cents per share, bringing total for the year to 8.0 cents per share fully franked

Drought affected results



	FY06 \$m	FY07 \$m	% change
Revenue	4,866.6	4,672.1	(3.9)
Underlying* earnings before interest, tax, depreciation and amortisation	210.0	173.2	(17.5)
Underlying* profit before tax and amortisation	147.1	91.8	(37.6)
Underlying* profit before tax	137.1	94.2	(31.3)
Net profit after tax and significant items	58.1	27.1	(53.4)

* Excludes Significant Items and One-offs

Significant items* reflect repositioning



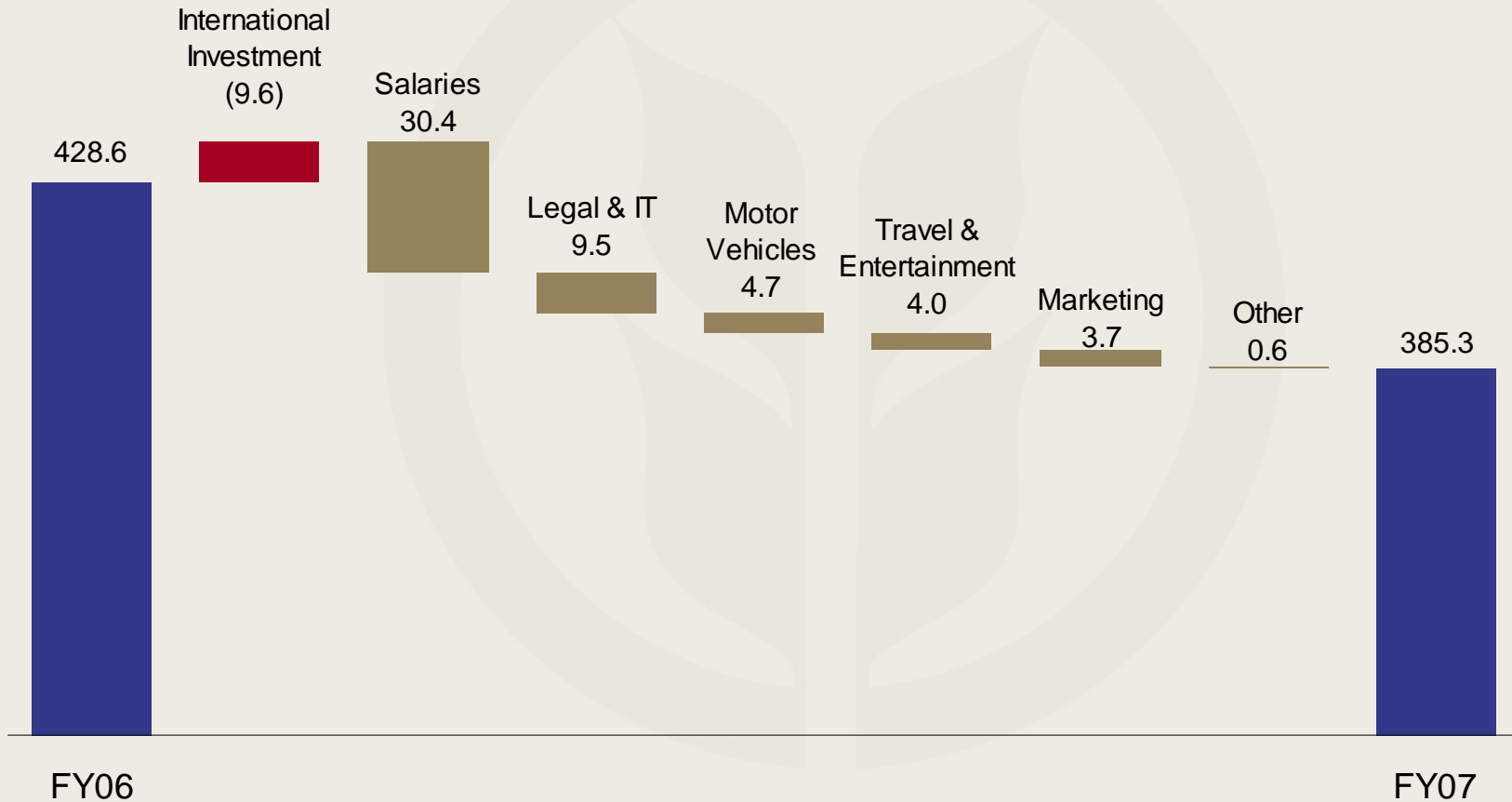
Full year ended 30 September		
	2006 \$m	2007 \$m
Hi-Fert acquisition benefit	10.4	-
A-IFRS transition adjustments	(22.9)	-
Employee share loan fair value adjustment	-	(9.6)
Asset impairment adjustments	(19.3)	(3.6)
Costs associated with Oil for Food Inquiry	(23.7)	(6.6)
Redundancies and restructuring	(10.2)	(21.9)
Total adjustments to underlying profit	(65.7)	(41.7)

*Pre-tax

Continued progress on cost reduction



Movement in underlying* overhead costs (\$m)



* Excluding depreciation expenses

Solid balance sheet position



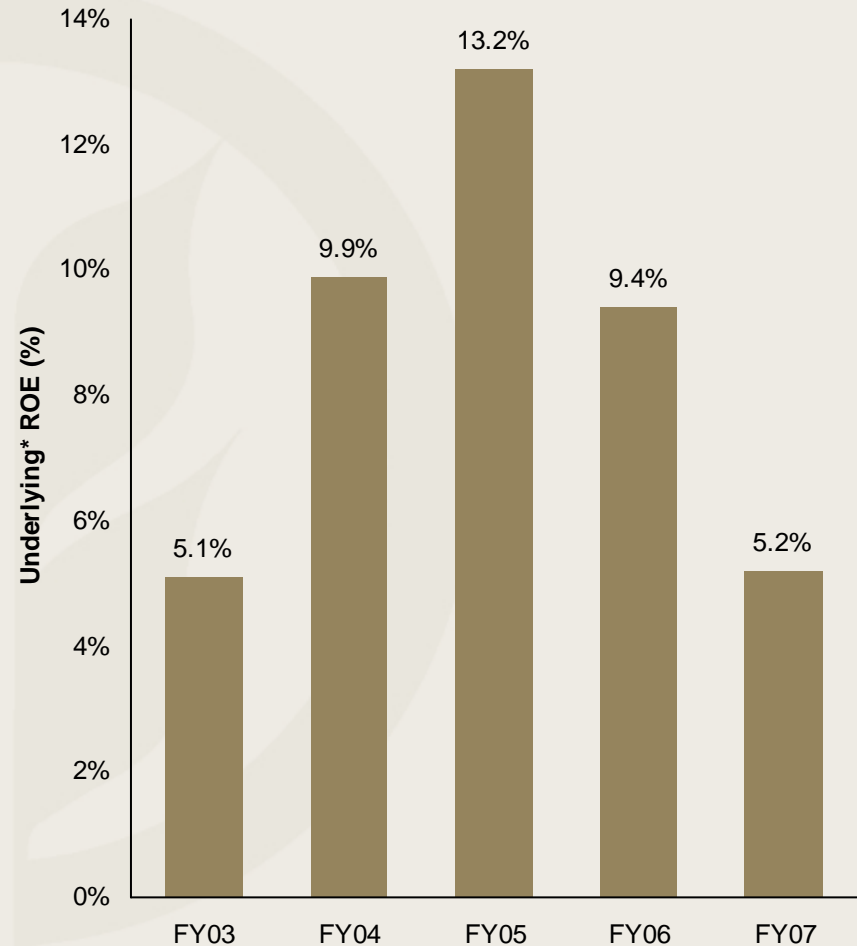
- Corporate gearing* of 40.9%
- Net corporate debt of \$768.3 million
- No immediate short term impact from sub-prime fallout on availability of funds
- Banking facilities secured to September 2008
- No current direct exposure to corporate debt market
- Ongoing focus on balance sheet management

*Net Corporate debt / Net Corporate Debt plus shareholders equity

Focused on improving returns & managing risk



- Assessing Return on Equity by segment and by business unit
- Established improved governance arrangements
 - Asset & Liability Committee (ALCO)
 - Management & Investment Committee (MIC)
 - Corporate Risk Committee (CRC)



* Excludes Significant Items and One-Offs

Progress on key priorities



Phase one:

Manage our
business
performance

- Operational performance
- Culture change
- Governance
- Reputation



Phase two:

Consolidate and
reshape our business

- Improving disclosure
- Efficiency
- People and organisation
- Strategy



Phase three:

Drive our sustainable
growth agenda

- Mitigate seasonal and
cyclical volatility
- Proactive capital allocation
- Grow the business



Increasing focus on the business in 2008



Corporate

- Class actions
- Tax reviews
- Corporate cost reduction
- Risk framework
- Culture change
- High performing organisation
- Stakeholder strategies
- Constitutional reform
- Development of new operational model
- Orderly transition from Pool Management

Business

- Landmark: Transforming from good to great
- Financial Services: Product extension and increased customer take-up of Financial Services products
- Commodities: Transforming domestic, growing International

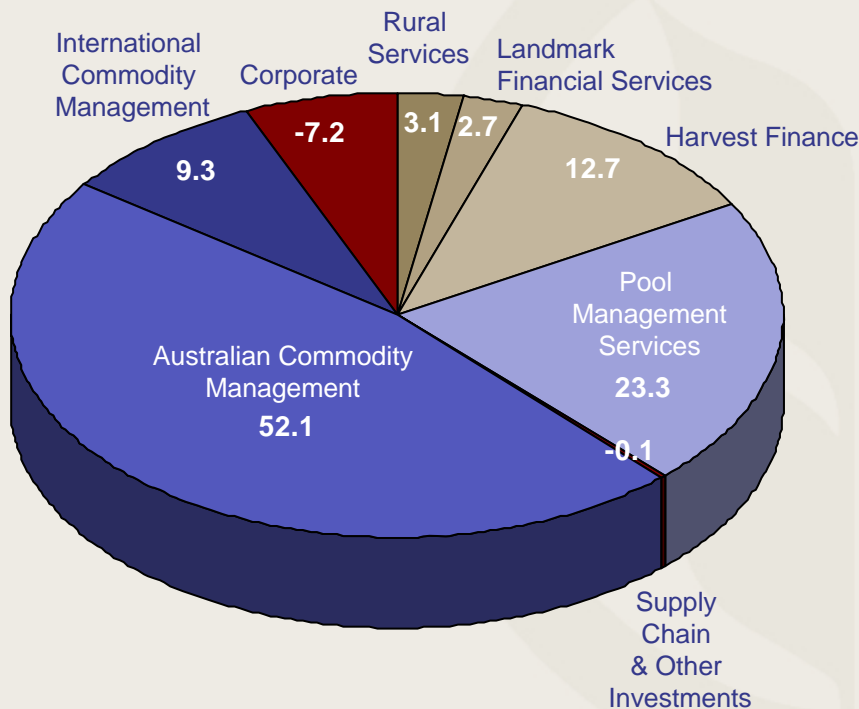
2006

2007

2008

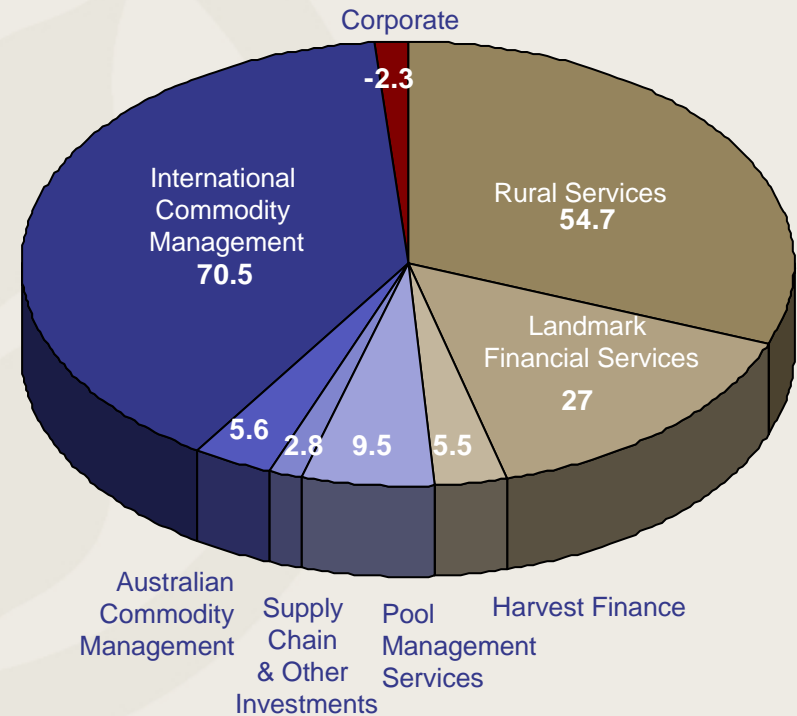


Contribution to EBITDA by Business Segment (\$m)



2003

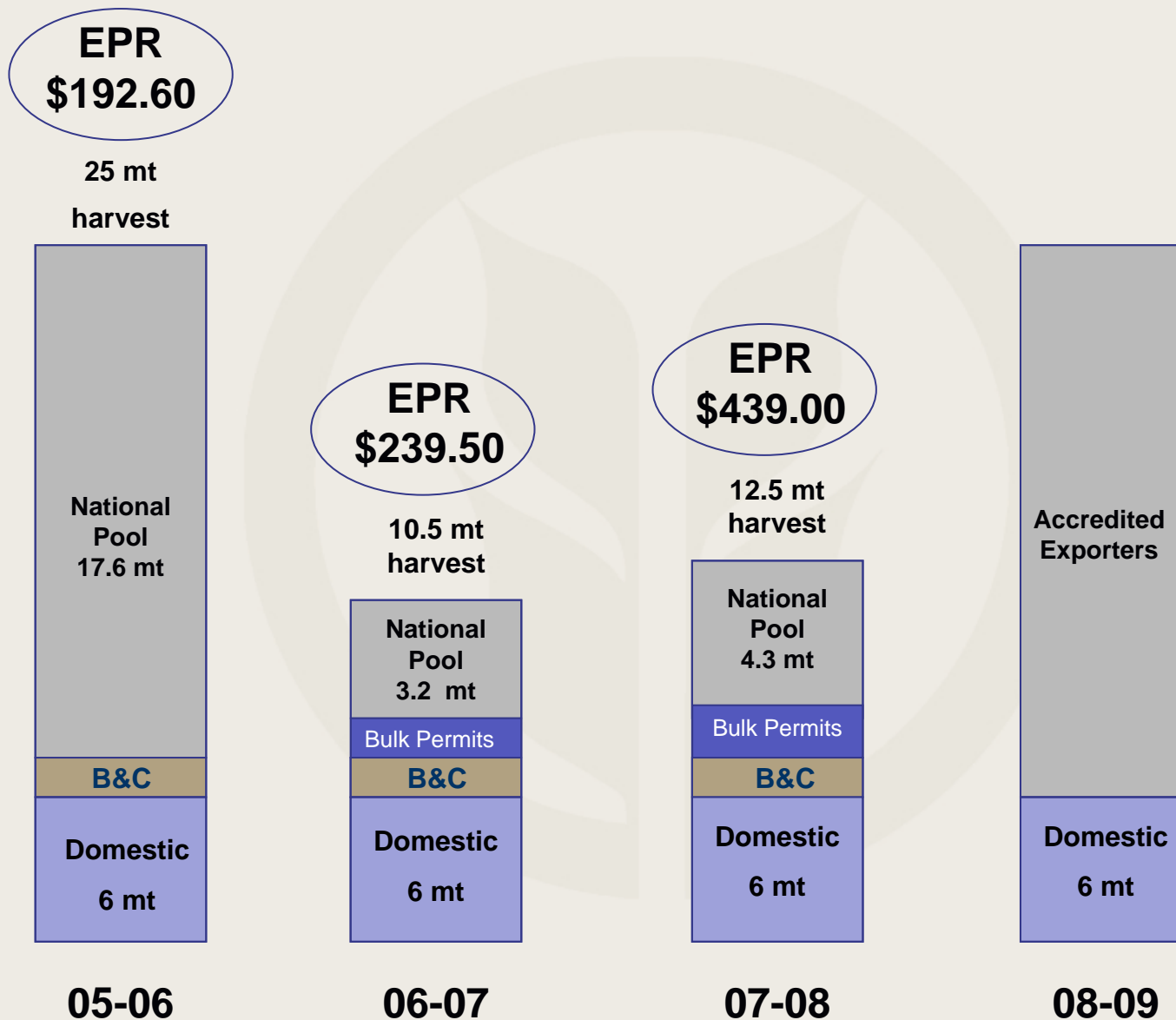
\$95.9m



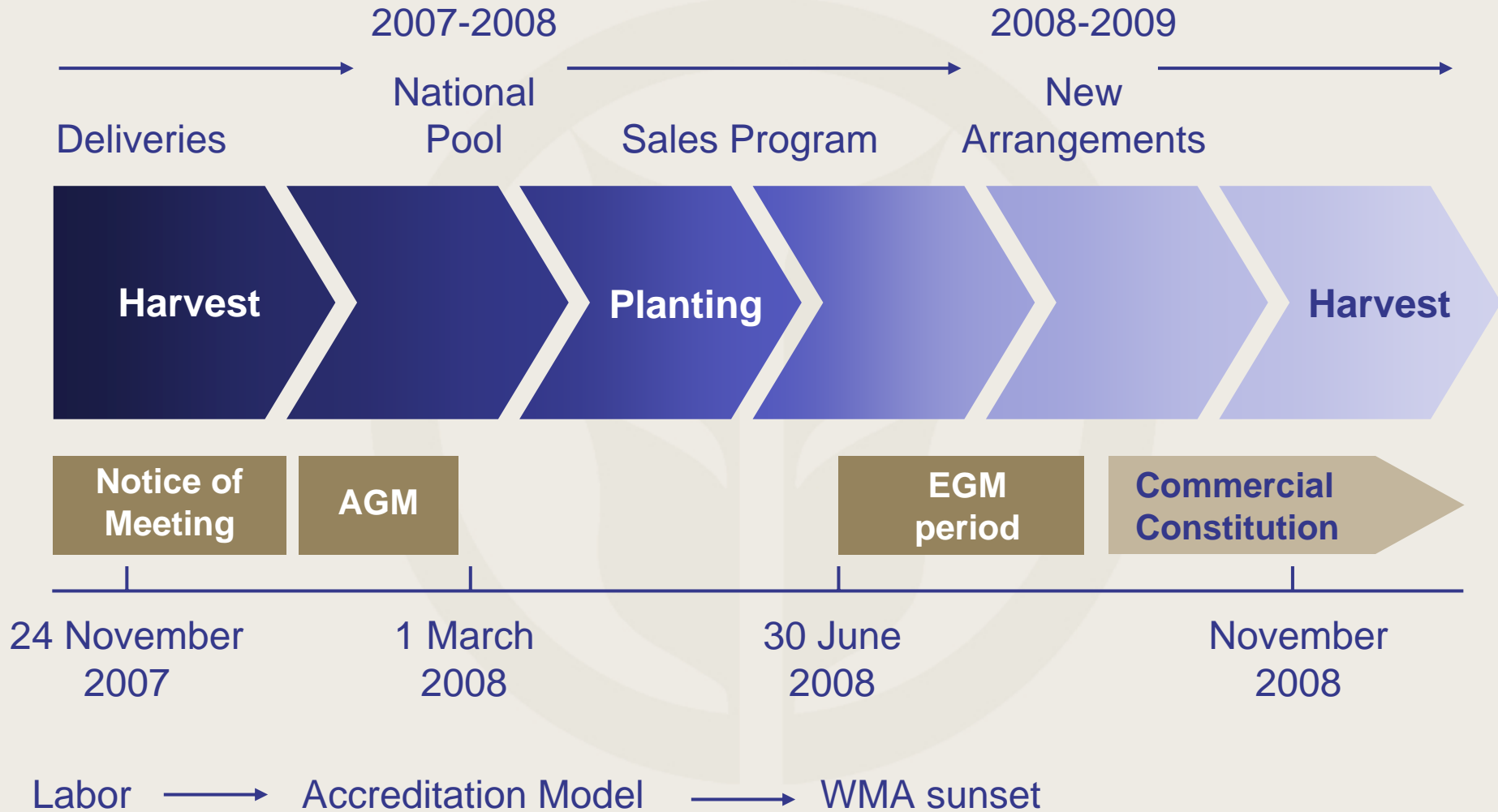
2007

\$173.2m

National Pool Performance



Changing wheat marketing arrangements



Market Outlook

- Strong demand internationally
 - Protein
 - Biofuels
- Global grains shortage
- Improving seasonal conditions

Wheat Marketing

- Government agenda clear
- Industry reform facilitated by new arrangements

AWB Capability

- Long standing grower & customer relationships
- More flexible range of pool, cash & harvest finance products
- Supply chain & chartering expertise
- Extensive domestic rural network (Landmark)
- Growing international trading business

- Management team focused on performance
- Business performance is stabilising
- We are focused on rebuilding and growing the business
- There remain challenges for AWB – internal and external
- However, AWB is well placed to leverage domestic and global opportunities

www.awb.com.au

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