

Full Year Results 2007

21 November 2007



Overview - Gordon Davis, Managing Director

Financial and Operating performance - Mark Hosking, CFO

Strategy and Outlook - Gordon Davis, Managing Director

Overview

Gordon Davis, Managing Director

Full year results at the top end of revised guidance

- Underlying profit before tax and amortisation down 37.6% to \$91.8m
- Reported net profit after tax and significant items down 53.4% to \$27.1m
- Final dividend of 4.0 cents per share, bringing total for the year to 8.0 cents per share fully franked

Ours to control

- Operational performance
- Culture change
- Governance
- Reputation

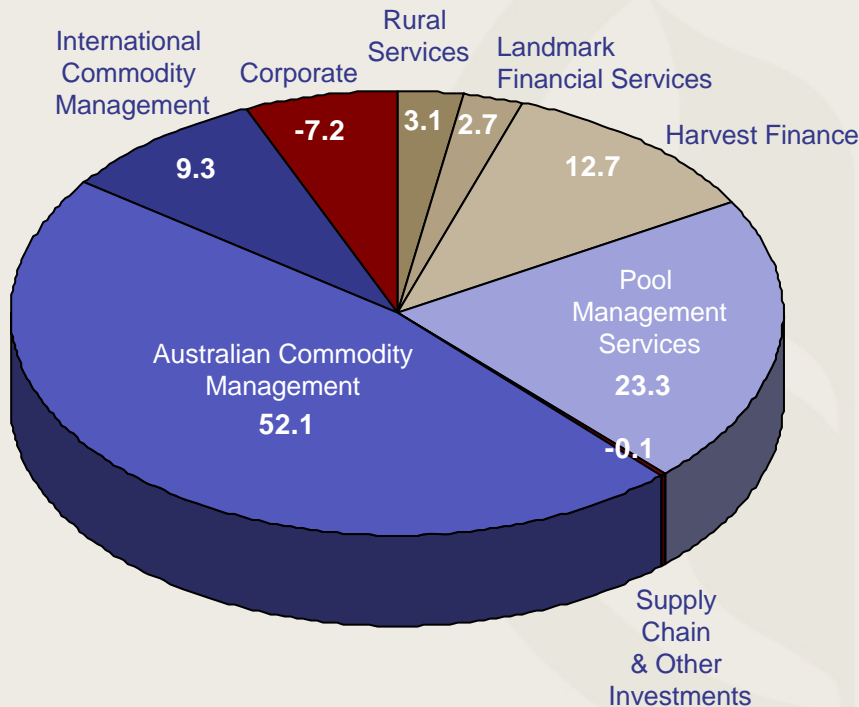
Ours to influence

- Wheat export market arrangements
- Class actions
- Oil for Food inquiry

Ours to manage

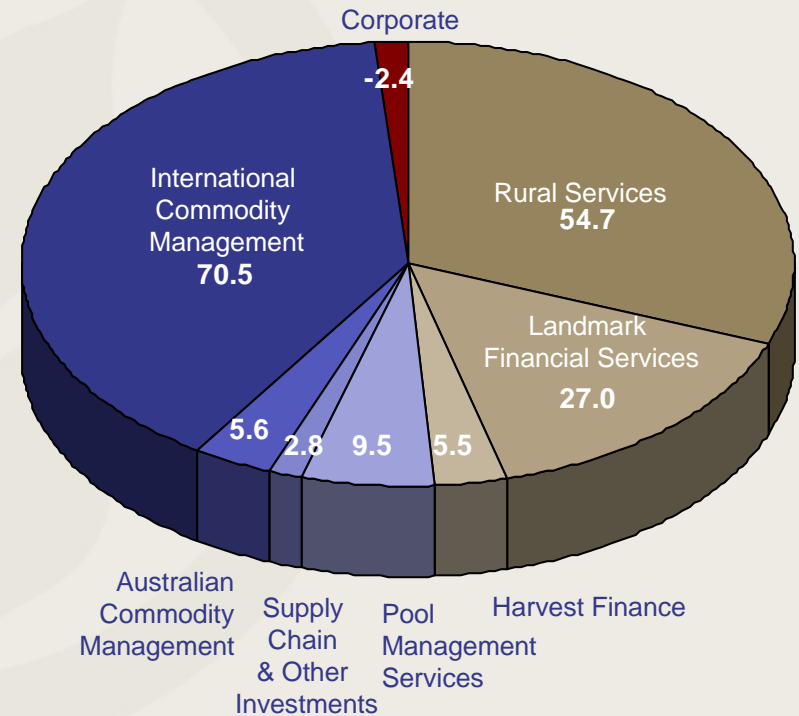
- Drought
- Volatility in global commodity markets

Contribution to EBITDA by Business Segment (\$m)



2003

\$95.9m



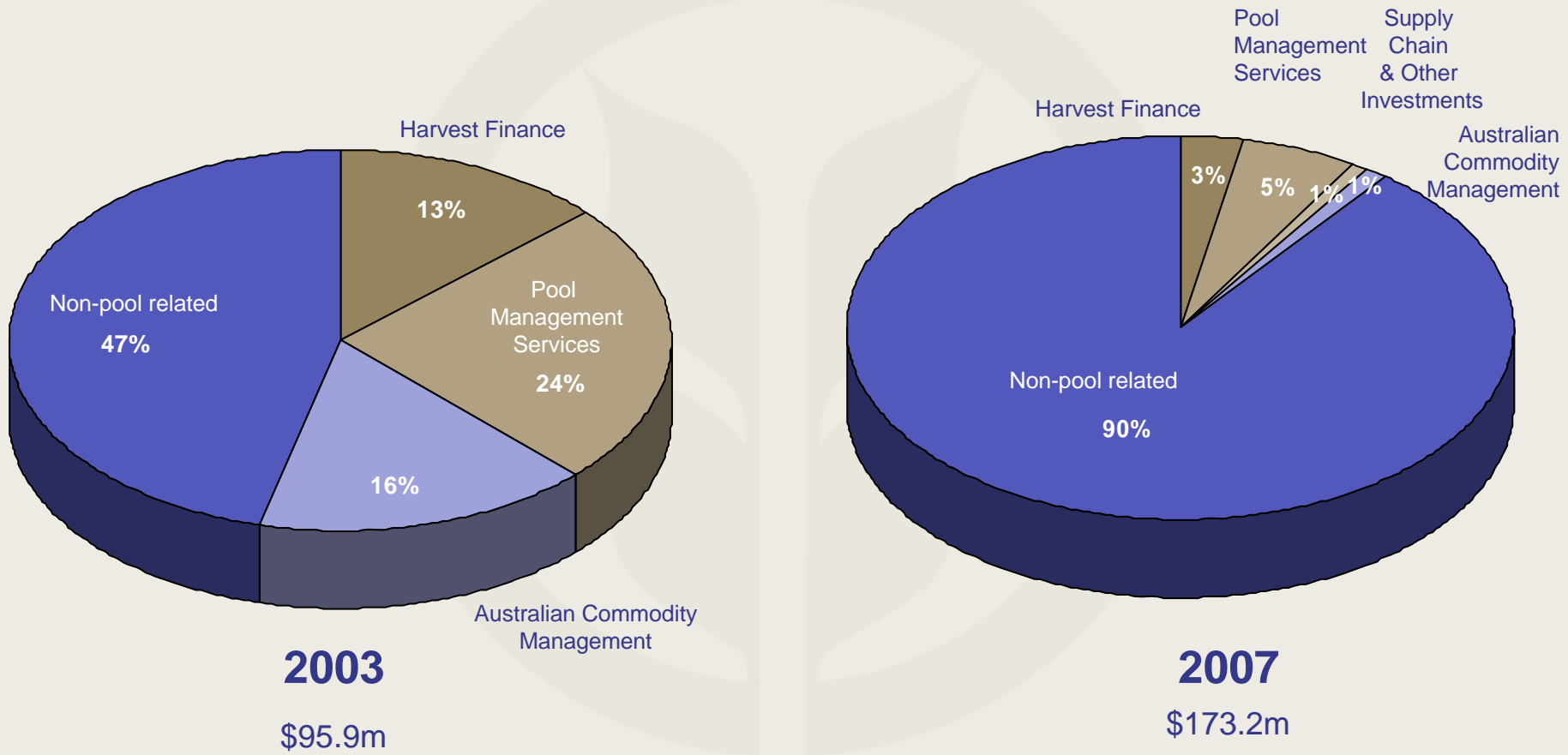
2007

\$173.2m

Reduced reliance on Pool-related earnings



Around \$18m or 10% of FY07 EBITDA came from the National Pool



Assumes 30% of ACM, 50% of Supply Chain & Other Inv.

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

Financial and Operating performance

Mark Hosking, Chief Financial Officer

A company in transition



	FY06 \$m	FY07 \$m	% change
Revenue	4,866.6	4,672.1	(4.0)
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)
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 a one-off non-cash gain on the unwinding of a Forward Freight Agreement

Significant items* reflect repositioning of the business

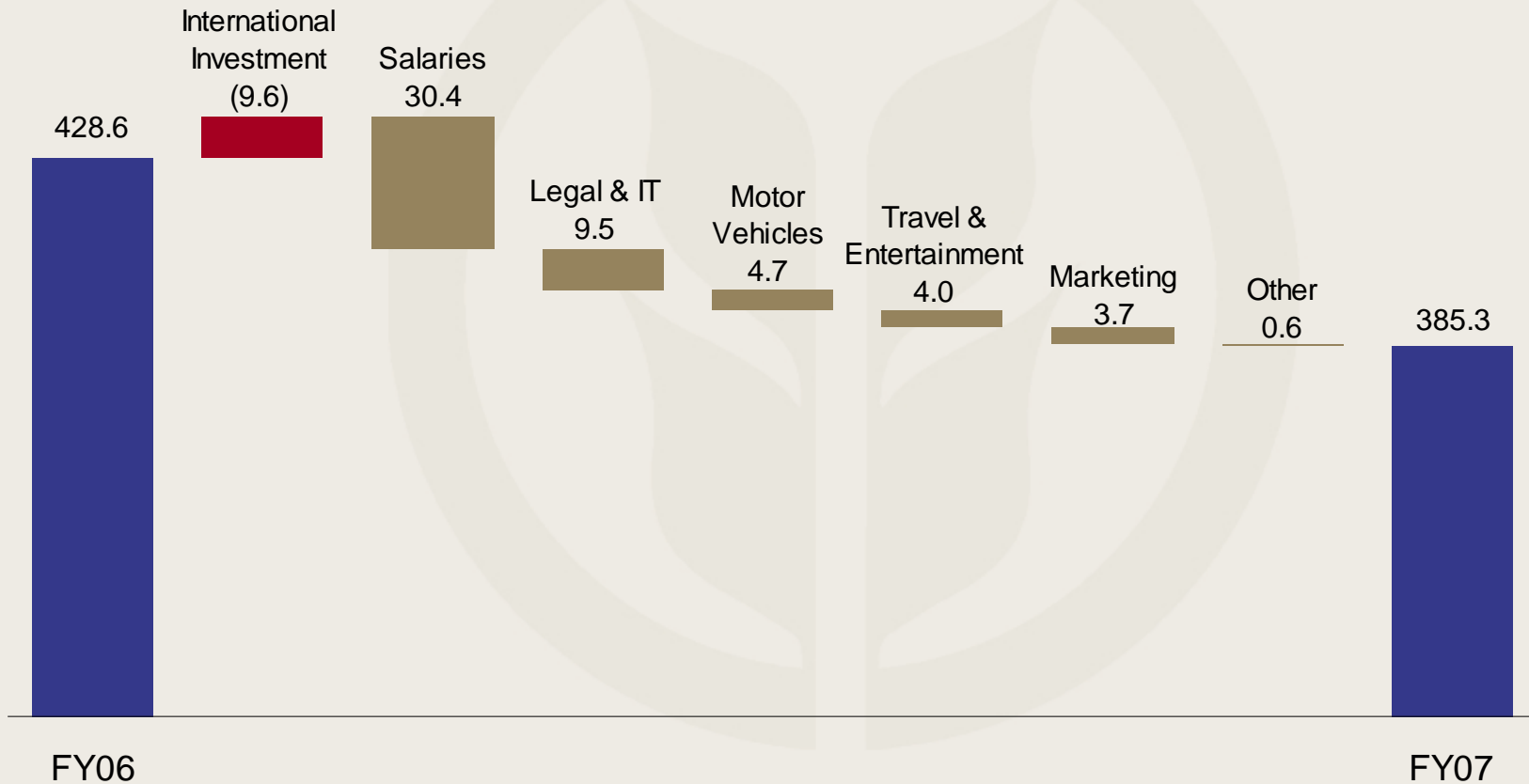


Full year ended 30 September		
	2006 \$m	2007 \$m
Hi-Fert acquisition benefit	10.4	-
A-IFRS transition adjustments	(22.9)	-
Employee share loan fair value adjustment	-	(9.6)
Asset impairment adjustments	(19.3)	(3.6)
Costs associated with legacy issues	(23.7)	(6.6)
Redundancies and restructuring	(10.2)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

Continued progress on cost reduction



Movement in underlying* overhead costs (\$m)

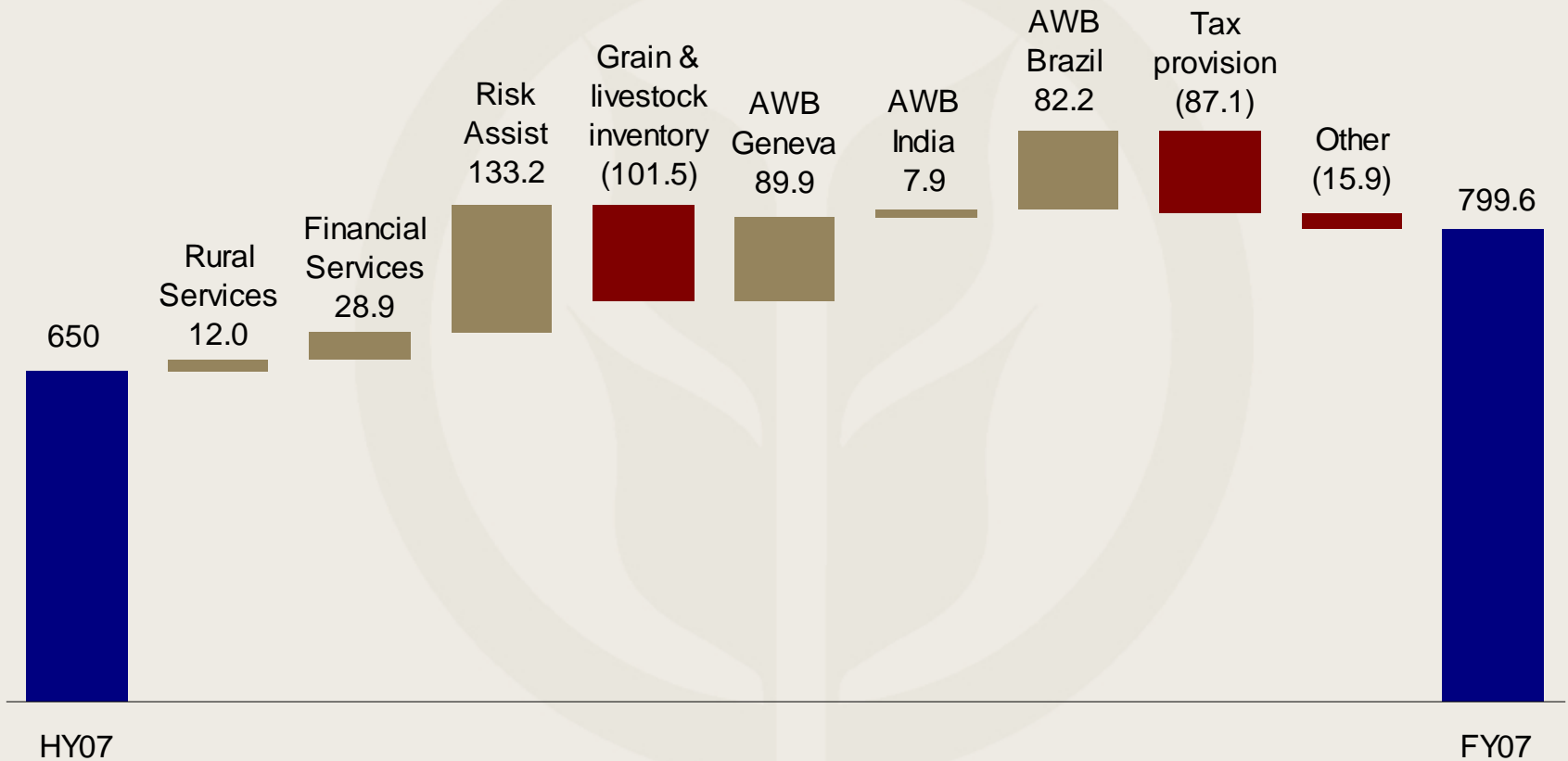


* Excluding depreciation expenses

Working capital: higher commodity prices and investing for growth



1H – 2H07 changes in working capital and provisioning (\$m)



Solid balance sheet position at year end



- Corporate gearing* of 69% (2006: 52%)
- Net Corporate interest cover of 3.5 times
- Committed Corporate debt facilities at year end of \$750m, uncommitted** of \$304m

Entity	2006 balance (\$m)	2007 balance (\$m)	Movement (\$m)
Net Corporate debt	589.6	768.3	178.7
Landmark Financial Services committed net loan book funding	2,002.3	2,035.3	33.0
Harvest Finance net debt	778.9	19.3	(759.6)
Total	3,370.8	2,822.9	(547.9)

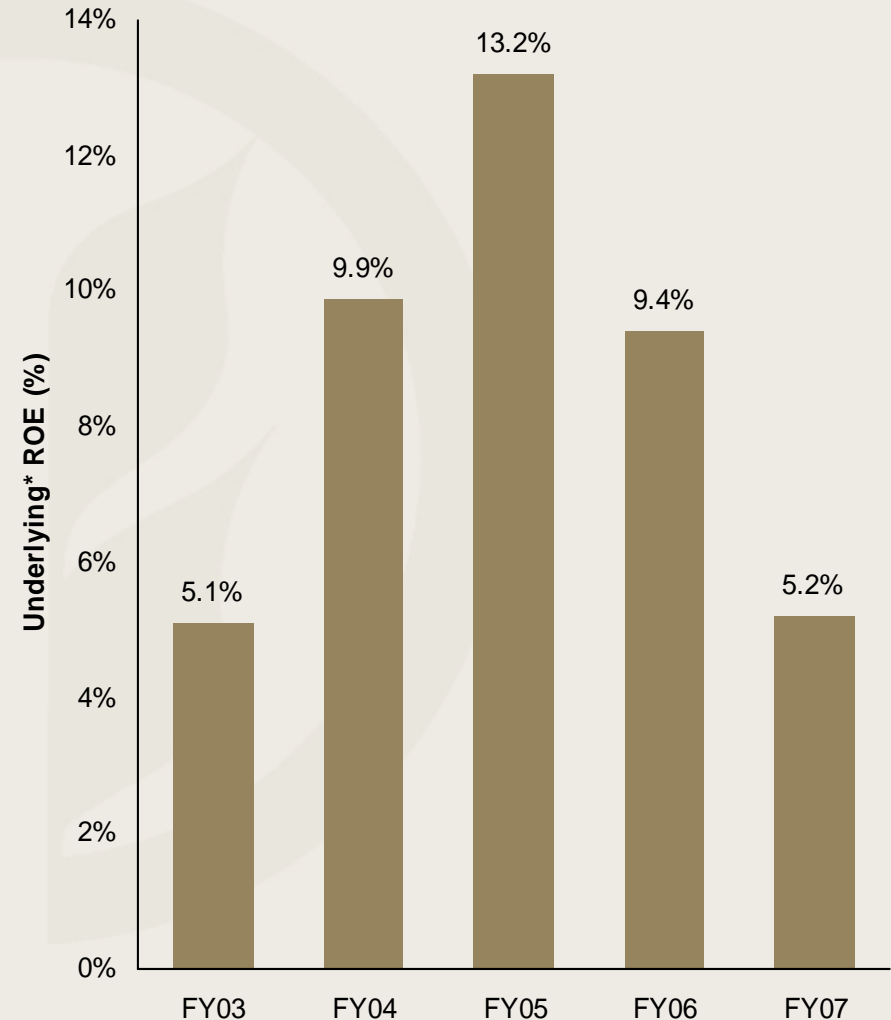
*Net Corporate debt / Shareholders equity

**Based on a USD/AUD exchange rate of 88 cents

Focused on improving returns



- Implementing economic capital allocation methodology across the business
- Assessing ROE by segment and by business unit
- Asset & Liability Committee (ALCO) and Investment Committee established

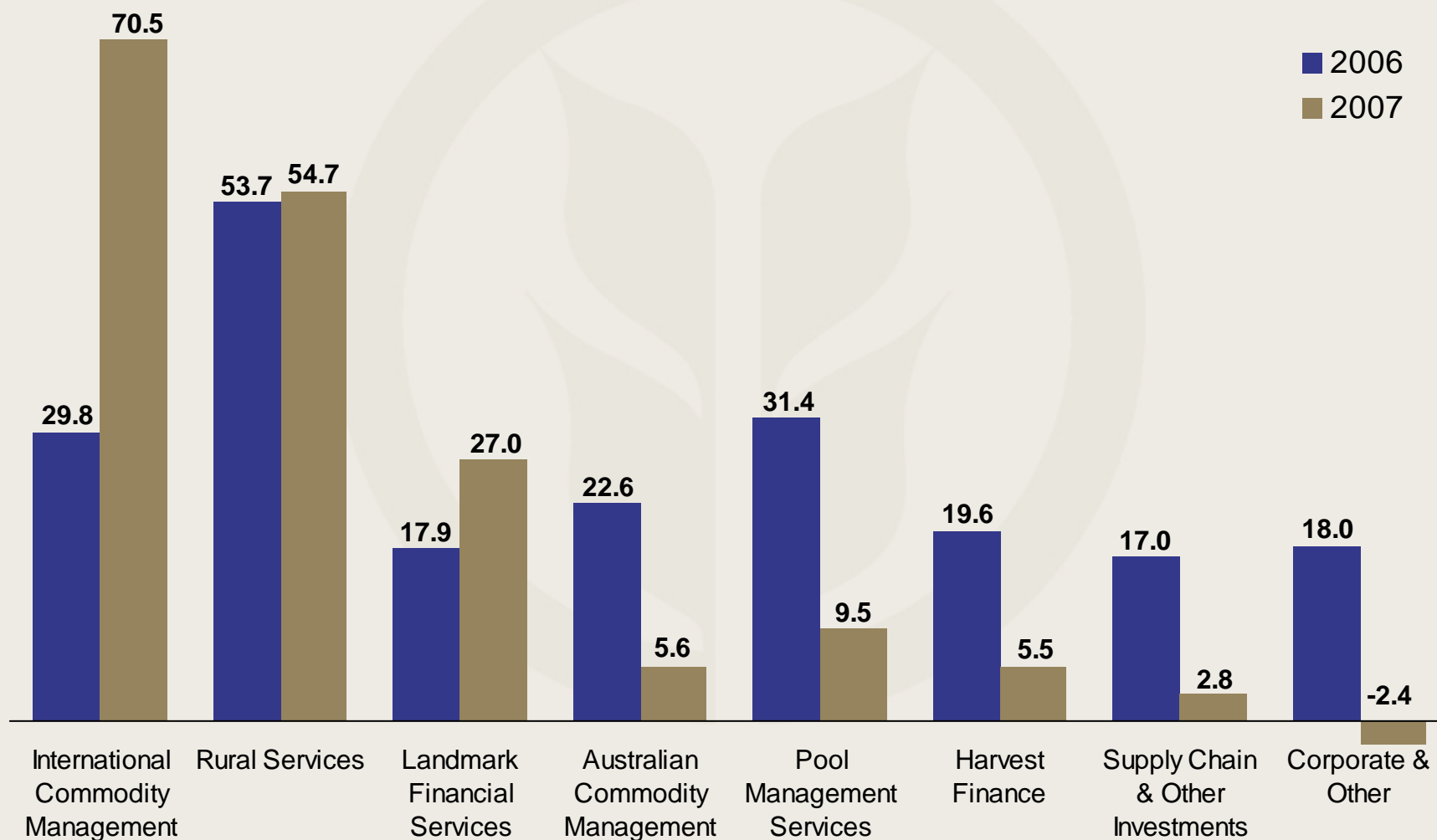


* Excludes Significant Items and One-Offs

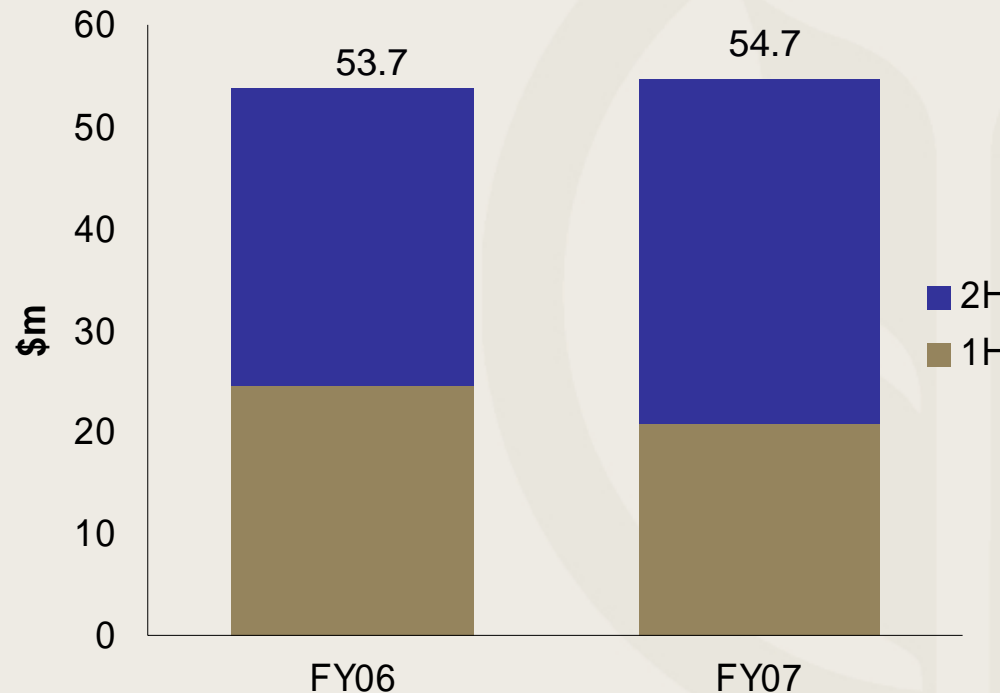
Benefits of diversification evident



EBITDA by business segment (\$m)



EBITDA - Rural Services

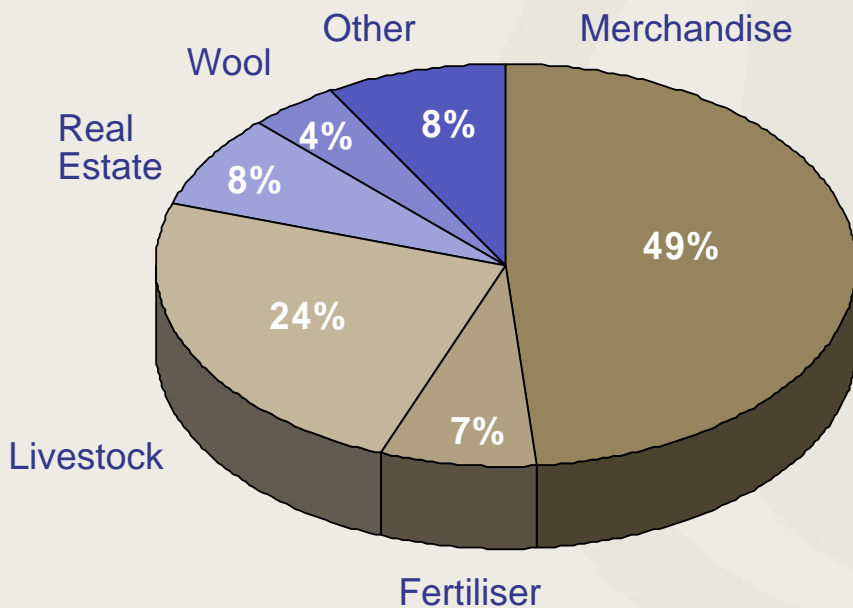


- EBITDA of \$54.7m, a solid result in challenging circumstances
- Continued good cost management and improved margins
- Merchandise and Livestock down, but Fertiliser, Real Estate and Wool posted solid earnings growth

Rural Services – stable gross profit contribution

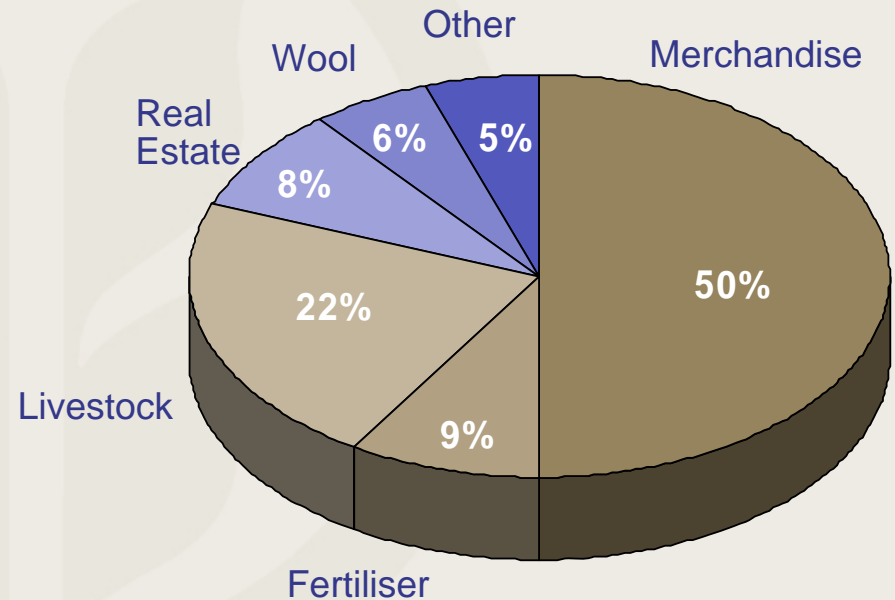


Rural Services Gross Profit by activity (\$m)



2006

\$271.0m



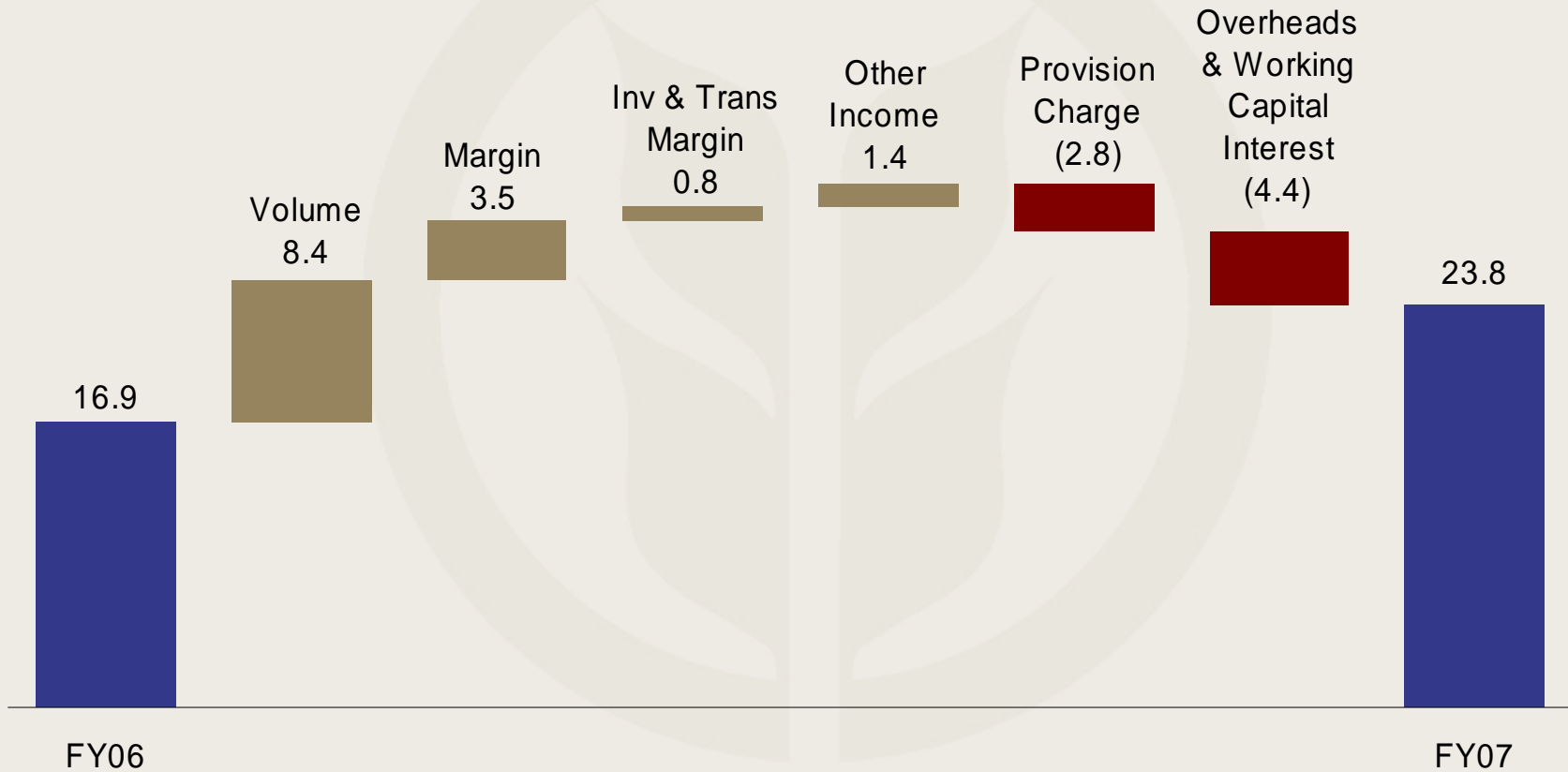
2007

\$256.4m

Landmark Financial Services: strong performance



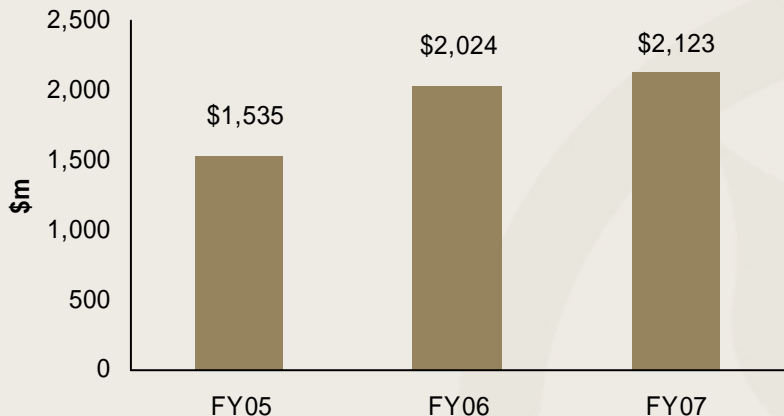
Profit Before Tax Movement (\$m)



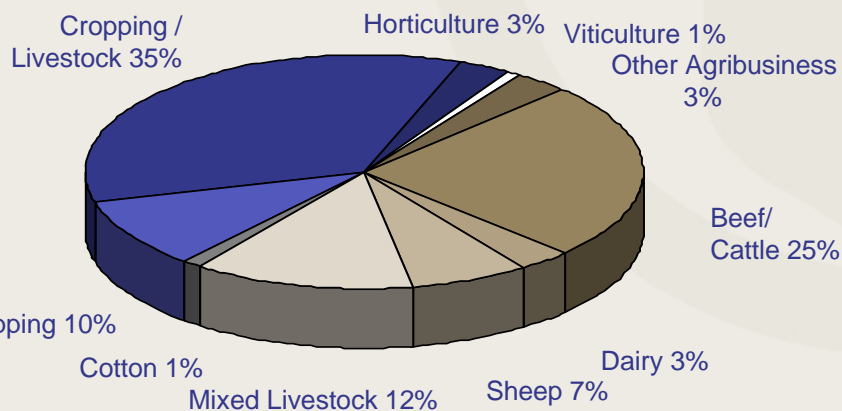
Landmark Financial Services credit quality remains sound



Landmark loan portfolio balance



Loan portfolio by industry at September 2007

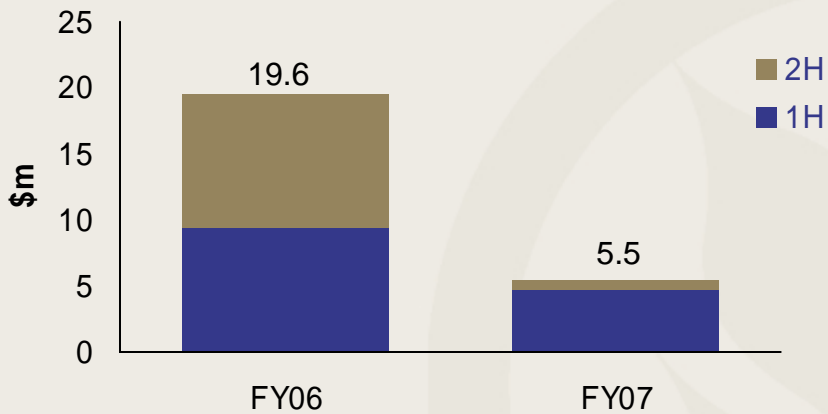


- Rural loan portfolio over \$2.1 billion
- 92% of portfolio supported by rural property
- Net non-accrual loans of \$21.9 million now represent 1.0% of gross loans
- Average Loan Valuation Ratio (LVR) at year end of 40%
- Broad based loan portfolio – not heavily exposed to irrigated agriculture

Harvest Finance impacted by small pool volumes

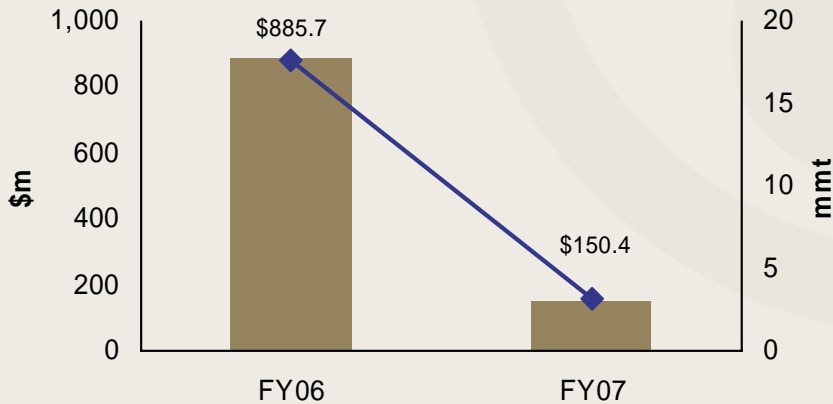


EBITDA – Harvest Finance



- Harvest Finance results impacted by lower Pool volumes – 3.2mmt in 2007, down from 17.6mmt in 2006 (see graph below)
- Short term credit rating reaffirmed at A1+ / P2

Harvest Finance Loan Book

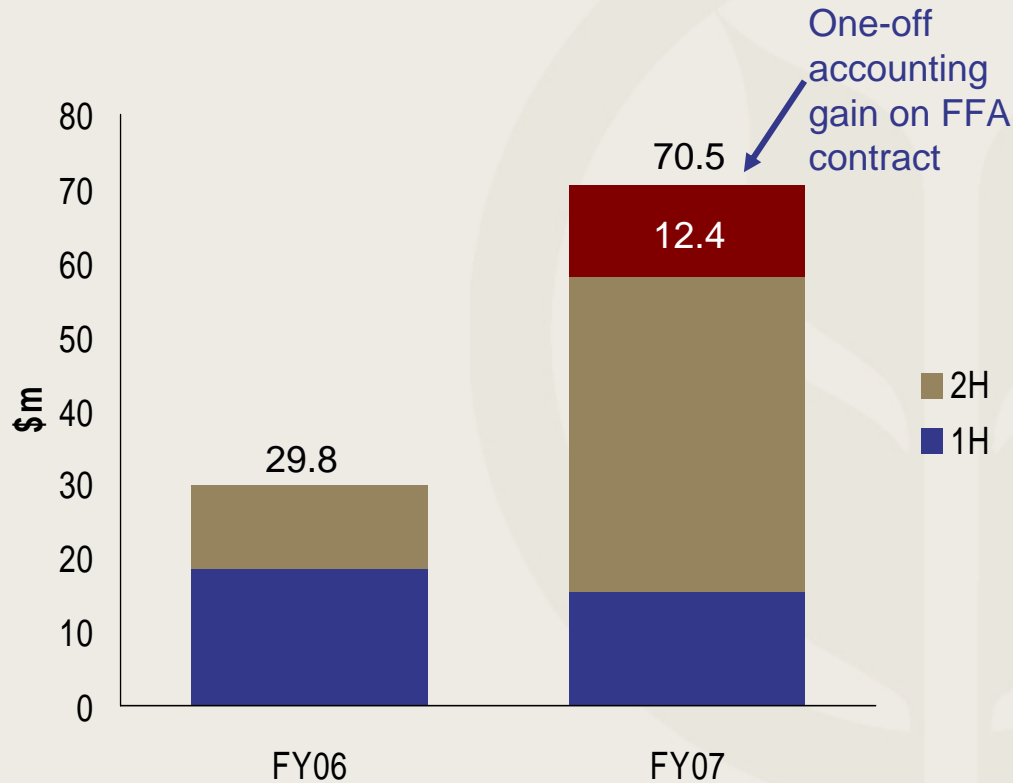


Harvest Finance loan balance — Pool Volumes

Commodities: International – exceptional result

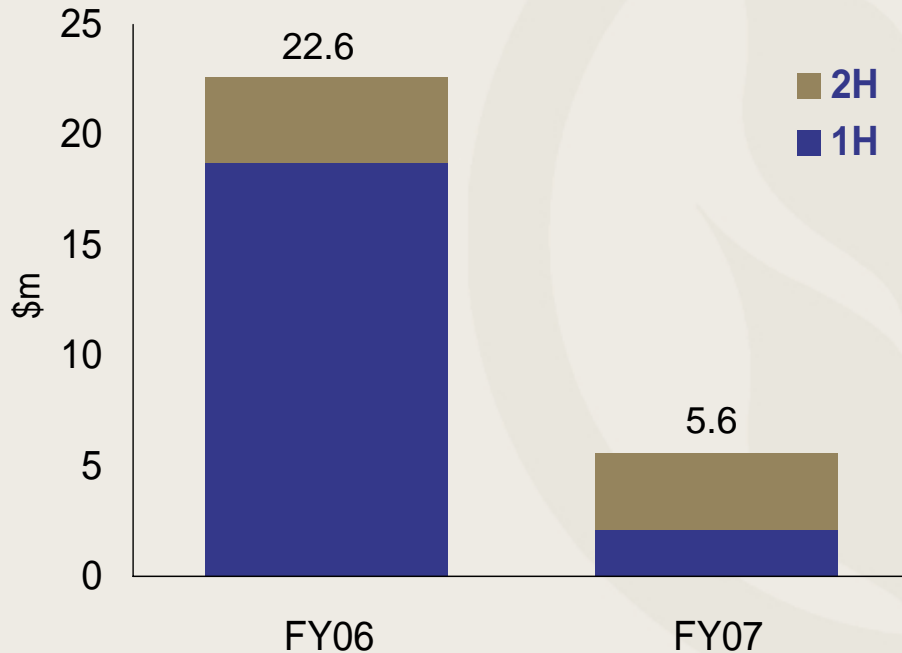


EBITDA - International Commodity Management



- Geneva, India and Brazil all increased profits
- Exceptional performance in 2H in freight, commodities and trade finance
- The majority of revenues are structural or transactional

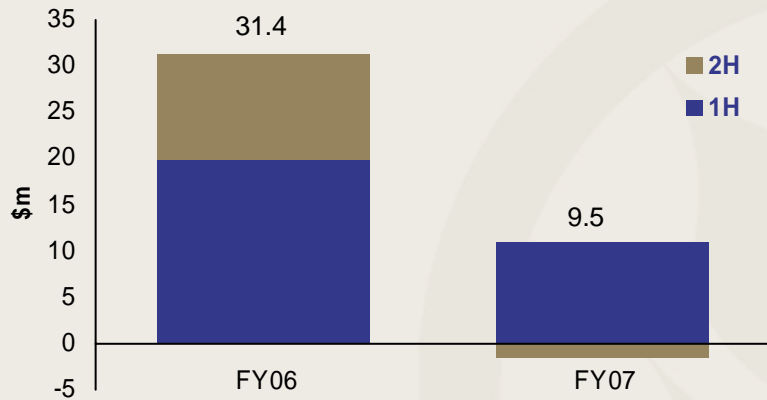
EBITDA - Australian Commodity Management



Australian Commodity Mgmt

- Drought impacted the business for the last 18 months
- Modest improvement in 2H, especially in Chartering
- Increased working capital in RiskAssist, provision for doubtful debts of \$16m

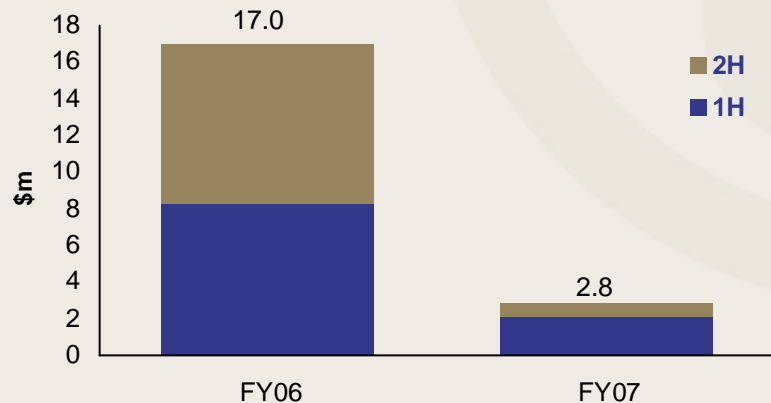
EBITDA - Pool Management Services



Pool Management Services

- Impact of regulation change and drought affected 2006 pool
- Services Agreement for 2007/2008 Pool – reduction in base fee from \$65m to \$40m – partially offset by cost savings

EBITDA - Supply Chain & Other Investments



Supply Chain & Other Investments

- GrainFlow impacted by drought and consequent reduced tonnages
- Profit decline was mitigated by reasonable stock carry-over from the previous season and a strong focus on cost management

- The results clearly show a company in transition
- Our business portfolio is increasingly benefiting from diversification
- We remain focused on managing risk and uncertainty
- We have made progress on all our half year commitments
- Looking forward, our focus is on repositioning the business for the future

Strategy and Outlook

Gordon Davis, Managing Director



Situation

- Leading rural services player in Australia
- Stable earnings but room for improvement

Short term priorities

- Lift operational performance
- Complete strategic projects
- Drive synergies with other AWB businesses

Future Options

- Build on strong platform in Australia
- Explore international opportunities

Situation

- Small player in highly competitive market
- Significant opportunity to leverage both network and Landmark customer base

Short term priorities

- Lift performance
- Product extension
- Increase customer take-up of financial services products
- Maintain credit quality
- Manage increased cost of funding

Future Options

- Drive further value from customer understanding and relationships
- Explore appropriate opportunities in Australia and internationally

Situation

- Niche player
- Transactional / trading business

Short term priorities

- Build structural revenue flows
- Develop 'asset light' model in new geographies
- Continue to enhance risk management capabilities
- Leverage international customer relationships

Future Options

- Fully integrate business with Australian Commodities

Situation

- Changing wheat export arrangements
- Continued effect of prolonged drought

Short term priorities

- Retain and capture value from customer relationships
- Achieve appropriate business model and cost position for future competitiveness

Future Options

- Explore scale and diversification options
- Fully integrate business with International Commodities

Wheat export marketing arrangements



Coalition → WEMA deadline → WMA sunset
Labor → Accreditation Model

Current AWB Constitution

- Restricted to grain trading
- Costly dual A & B class shareholding structure
- Entrenched A class voting entitlements
- Grower-elected Board Directors
- 10% shareholder limit

New AWB Constitution

- Remove restriction to facilitate future growth
- Efficient single share holding structure
- No preferential shareholder status
- Standard commercial Board of Directors
- Maintain transitional shareholder limit

- Business has stabilised
- Achieved efficiency targets and earnings guidance
- Rebuilding phase is underway – benefits of diversification increasingly clear
- Constitutional change proposal at AGM in February
- Australian agriculture remains an attractive industry segment
- Emerging global agribusiness opportunities

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Appendix

Reconciliation of reported and underlying profit



Movement between PBT and PBTA (\$m)

