

Investor Fact Book 2004



Australia's leading agribusiness





The purpose of the Investor Fact Book is to give the market an in-depth view of AWB Limited's ("AWB") business operations as well as provide background information on global and Australian trends in agriculture. This year, a section is dedicated to AWB's Landmark business.

The Investor Fact Book provides information regarding AWB and should be used in conjunction with AWB's published financial statements and reports.

The Investor Fact Book is updated annually, and published in conjunction with AWB's half year results announcement in May each year.

Interactive version of the Investor Fact Book on AWB's website

An interactive version of the Investor Fact Book can be accessed via www.awb.com.au. You can download data from graphs and tables from this resource. Previous copies of the Investor Fact Book in pdf version can also be downloaded from this website.

2004 key financial dates

Half year end	31 March
Announcement of half year results	26 May
Payment of interim dividend	2 July
Financial year end	30 September
Announcement of full year results	24 November
Payment of final dividend	17 December

Note: These dates are subject to change.

For more information, contact:

Delphine Cassidy

Head of Investor Relations

T: +61 3 9209 2404

E: dcassidy@awb.com.au

Diana Attana

Investor Relations Advisor

T: +61 3 9209 2321

E: dattana@awb.com.au

INTRODUCTION		
Introduction	1	
AWB National Pool	3	
Dual class share structure	4	
Ownership of AWB	5	
Market summary	5	
Dividend policy	6	
BUSINESS STREAMS		
Pool Management Services	7	
Performance based remuneration	8	
Base Fee	9	
Out Performance Incentive	10	
Wheat Industry Benchmark	10	
Hurdle	11	
Remuneration recognition	12	
Wheat Export Authority	13	
Mandate	13	
2004 Review	13	
National Competition Council	14	
Key drivers	14	
Growth prospects	14	
Finance and Risk Management	16	
AWB National Pool Payment Options and Underwriting	16	
Harvest Loan	17	
Flexible Drawdown Loan	17	
Advanced Payment	17	
Deferred Payment	17	
Underwriting	17	
2003 Loan book	18	
Key drivers	19	
Growth prospects	19	
AWB Basis Pool	20	
Key drivers	21	
AWB RiskAssist	21	
Key drivers	22	
Discretionary treasury trading	22	
Grain Acquisition and Trading	23	
Grain contract acquisition products	23	
Products	24	
Payment terms	24	
Domestic trading	24	
Buying for cash and delivering to domestic customers	24	
Buying for cash and delivering to the AWB National Pool	25	
Non-wheat trading	25	
Volume traded	25	
Market intelligence	26	
Risk management	26	
Governance	27	
Key drivers	27	
Growth prospects	27	
Global operations	28	
AWB Geneva	28	
Supply Chain and Other Investments	29	
Domestic supply chain investments	29	
Up-country storage and handling facilities	30	
Key drivers	32	
Strategy	32	
Growth prospects	32	
Port facilities	33	
Melbourne Port Terminal	33	
Chartering	34	
Price risk	34	
Key drivers	34	
Growth prospects	34	
Offshore investments	35	
Growth prospects	36	

Grain Technology	37	Finance	49
Agrifood Technology	37	Operations	49
AWB Seeds	38	Seasonal finance	49
Innovation and Research	38	Term loans	49
Quality Assurance and Hygiene	39	Deposits (Interest Bearing Deposits “IBDs”)	49
Growth prospects	39	Recent performance	50
LANDMARK		Key drivers	50
Details of the acquisition	41	Strategy	50
Funding	42	Growth prospects	50
AWB and Landmark – Integration	43	Fertiliser	51
“One stop shop”	43	Operations	51
Introduction to Landmark	44	Recent performance	52
Structure of the national network	45	Key drivers	52
Merchandise	46	Strategy	52
Operations	46	Growth prospects	52
Recent performance	46	Real Estate	53
Key drivers	46	Operations	53
Strategy	46	Rural property	
Growth prospects	46	(rural properties with over 40 hectares)	53
Livestock	47	Residential real estate	
Operations	47	(urban properties with under 40 hectares)	53
Recent performance	47	Rental management and clearing sales	53
Key drivers	47	Recent performance	53
Strategy	47	Key drivers	53
Growth prospects	47	Strategy	53
Wool	48	Growth prospects	53
Operations	48	Insurance	54
Wool broking	48	Operations	54
Wool handling and warehousing	48	Recent performance	54
Recent performance	48	Key drivers	54
Key drivers	48	Strategy	54
Strategy	48	Growth prospects	54
Growth prospects	48	Other	55
		Johnstone River Transport Pty Limited	55
		Big N	55

RISK MANAGEMENT		
Risk management process	57	
Risk factors	58	
Risk based capital allocation	60	
Investment approach	61	
Treasury activities	61	
Ring-fencing	61	
Funding	62	
Risk management	62	
STRATEGY		
Vision	63	
Mission	63	
Strategic objectives	63	
FINANCIAL PERFORMANCE		
Summary of financial performance	65	
AUSTRALIAN AGRICULTURE TRENDS		
Wheat	67	
Australian wheat production	68	
Other grain production	70	
Canola	70	
Domestic wheat consumption	71	
Livestock	72	
Australian production	72	
Australian slaughtering volume	76	
Australian consumption	78	
Livestock exports	80	
Cattle sale methods	83	
Pricing trends	84	
Wool	86	
Domestic production	86	
Global production	87	
Wool profile	88	
Wool sold at auction		89
Pricing trends		89
Wool exports		91
Farm performance		92
Environmental conditions		93
GLOBAL WHEAT TRENDS		
Global wheat trends		95
World wheat production and consumption		95
Major producers		97
Major exporters		98
Non traditional exporters		101
Pricing trends		103
Major wheat grade competitors		104
Major importers		105
End uses		106
Global regulatory framework		107
OECD Producer Support Estimates from 1988 to 1998		107
Free Trade Agreement		108
Wheat supply to Iraq		108
GLOSSARY		
Glossary		111
APPENDICES		
Appendix 1:		
Wheat		113
Appendix 2:		
Livestock		116
Appendix 3:		
Wool		124
Appendix 4:		
Farm Performance		128
Appendix 5:		
Global Wheat Trends		129