

AWB LIMITED

A.B.N. 99 081 890 459

**CONDENSED HALF YEAR REPORT
APPENDIX 4D**

31 March 2009

AWB LIMITED
HALF YEAR REPORT
RESULTS FOR ANNOUNCEMENT TO THE MARKET
HALF YEAR ENDED 31 MARCH 2009

| | | | | 2008 | | 2009 | Reference to |
|---|------|-------|------|-------------|----|-------------|----------------------|
| | | | | \$'000 | | \$'000 | the Financial |
| | | | | | | | Statements |
| Revenues from ordinary activities* | up | 9.3% | from | 3,199,303 | to | 3,495,259 | Note 3 |
| Profit from ordinary activities after tax attributable to members | down | 61.6% | from | 22,255 | to | 8,542 | |
| Net profit for the period attributable to members | down | 61.6% | from | 22,225 | to | 8,542 | |

| Dividends | Amount per security | Franked amount per security |
|------------------|----------------------------|------------------------------------|
|------------------|----------------------------|------------------------------------|

| | | |
|--|---------|------------------|
| 2008 Final dividend | 5 cents | 5 cents |
| Record date for determining entitlements to the dividend | | 28 November 2008 |
| 2009 Interim dividend | nil | nil |
| Previous corresponding period (2008 Interim) | 4 cents | 4 cents |

| | 2008 | 2009 |
|---|-------------|-------------|
| Net tangible assets per security | \$ 1.61 | \$ 1.85 |

* Revenues from ordinary activities comprises:

| | 2008 | 2009 | |
|------------------------------------|------------------|------------------|-----------|
| | \$'000 | \$'000 | |
| Revenue from continuing operations | 3,008,226 | 3,339,404 | Note 2(a) |
| Other income | 52,756 | 15,521 | Note 2(b) |
| Finance income | 138,321 | 140,334 | Note 2(c) |
| | <u>3,199,303</u> | <u>3,495,259</u> | Note 3 |

AWB LIMITED
DIRECTORS' REPORT

Your directors submit their report for the half year ended 31 March 2009.

DIRECTORS

The names and details of the directors of the company during the half year and until the date of this report are:

Name

- Peter Polson (Chairman) (Appointed 22 October 2008)
- Brendan Stewart (Chairman) (Retired 22 October 2008)
- Gordon Davis (Managing Director)
- Steve Chamarette (Retired 10 February 2009)
- Brendan Fitzgerald (Retired 10 February 2009)
- Fred Grimwade
- Tony Howarth
- John Schmoll

RESULTS AND REVIEW OF OPERATIONS

| | 2009 | 2008 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| The group profit after tax and minority interest for the half year | <u>8,542</u> | <u>22,255</u> |

The group has reported a consolidated profit, after tax and minority interests, of \$8.5 million (2008: \$22.3 million).

Further commentary on the results for the period (including a review of the operations and the results of those operations) is contained in the Management Discussion and Analysis document released to the Australian Stock Exchange.

ROUNDING

The amounts contained in this report and in the financial statements have been rounded off under the option available to the company under Australian Securities and Investments Commission (ASIC) Class Order 98/100. Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

AUDITOR INDEPENDENCE

The Auditor's review of the financial report is in accordance with the declaration on page 3 - "Auditor Independence Declaration to the Directors of AWB Limited."

Signed in accordance with a resolution of the directors:



Peter Polson
Chairman

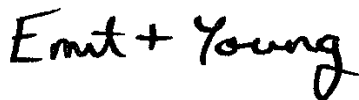


Gordon Davis
Managing Director

Melbourne
20 May 2009

Auditor's Independence Declaration to the Directors of AWB Limited

In relation to our review of the financial report of AWB Limited for the half-year ended 31 March 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



Ernst & Young



Brett Kallio
Partner
Melbourne
20 May 2009

AWB LIMITED
INCOME STATEMENT
FOR THE HALF YEAR ENDED 31 MARCH 2009

| | Notes | Consolidated | |
|--|-------|----------------------------|----------------------------|
| | | 31 March 2009 \$'000 | 31 March 2008 \$'000 |
| Revenue | 2(a) | 3,339,404 | 3,008,226 |
| Cost of sales | | (3,143,012) | (2,802,209) |
| Gross Profit | | 196,392 | 206,017 |
| Other income | 2(b) | 15,521 | 52,756 |
| Other expenses | | (217,354) | (234,348) |
| Share of profit/(loss) of associates | 5 | (987) | 9,595 |
| Profit before income tax and net finance income/(costs) | | (6,428) | 34,020 |
| Finance income | 2(c) | 140,334 | 138,321 |
| Finance costs | 2(f) | (123,553) | (134,095) |
| Net Finance income/(costs) | | 16,781 | 4,226 |
| Profit before tax | | 10,353 | 38,246 |
| Income tax expense | | (1,236) | (15,644) |
| Net profit for the period | | 9,117 | 22,602 |
| Profit attributable to minority interest | | 575 | 347 |
| Profit attributable to members of the parent | | 8,542 | 22,255 |
| Earnings per share (cents per share) | | | |
| - basic for profit for the half year | | 2.42 | 6.42 |
| - diluted for profit for the half year | | 2.42 | 6.39 |

AWB LIMITED
BALANCE SHEET
AS AT 31 MARCH 2009

| | Note | Consolidated | |
|---|------|----------------------------------|--------------------------------------|
| | | As at 31 March 2009 \$'000 | As at 30 September 2008 \$'000 |
| Assets | | | |
| Cash and cash equivalents | | 267,789 | 551,656 |
| Loans and receivables | | 3,487,168 | 4,046,740 |
| Inventories | | 641,144 | 558,797 |
| Derivative financial instruments | | 366,253 | 388,123 |
| Available-for-sale financial assets | | 6,791 | 7,313 |
| Other assets | | 158,364 | 141,508 |
| Investments accounted for using the equity method | | 115,824 | 122,646 |
| Intangible assets | | 535,773 | 538,238 |
| Property, plant and equipment | | 170,330 | 144,020 |
| Deferred income tax assets | | 102,510 | 102,424 |
| Total assets | | 5,851,946 | 6,601,465 |
| Liabilities | | | |
| Trade and other payables | | 774,099 | 791,510 |
| Interest-bearing loans and borrowings | 14 | 3,631,230 | 4,153,314 |
| Income tax payable | | 11,466 | 59,107 |
| Provisions | | 69,992 | 67,984 |
| Derivative financial instruments | | 141,796 | 352,596 |
| Other liabilities | | 1,090 | 324 |
| Deferred income tax liabilities | | 26,072 | 5,449 |
| Total liabilities | | 4,655,745 | 5,430,284 |
| Net assets | | 1,196,201 | 1,171,181 |
| Equity | | | |
| Contributed equity | | 1,000,867 | 983,540 |
| Reserves | | 22,121 | 13,488 |
| Retained profits | | 161,817 | 170,865 |
| Total parent entity interest | | 1,184,805 | 1,167,893 |
| Minority interest | | 11,396 | 3,288 |
| Total equity | | 1,196,201 | 1,171,181 |

AWB LIMITED
STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 MARCH 2009

| | Consolidated | |
|---|------------------|---------------------|
| | 31 March | 31 March |
| | 2009 | 2008 |
| | \$'000 | \$'000 |
| Cash flows from operating activities | | |
| Receipts from customers | 3,684,248 | 2,858,817 |
| Payments to suppliers and employees | (3,488,195) | (3,155,609) |
| Borrowing costs paid | (122,590) | (134,095) |
| Dividends received | 181 | 4,148 |
| Income taxes paid | (24,124) | (8,098) |
| Interest received | 141,262 | 136,021 |
| Net cash flows from/(used in) operating activities | 190,782 | (298,816) |
| Cash flows from investing activities | | |
| Payments for property, plant and equipment | (23,201) | (9,132) |
| Proceeds from the sale of investments | - | 6,646 |
| Proceeds from sale of property, plant and equipment | 311 | 9,500 |
| Purchases of investments and associates | - | (275) |
| Purchase of intangibles | (2,486) | (1,186) |
| Net cash flows from/(used in) investing activities | (25,376) | 5,553 |
| Cash flows from financing activities | | |
| Receipts - grower payment products | 64,897 | 23,228 |
| Payments - grower payment products | (108,338) | (123,190) |
| Repayments of grower loans | 308,664 | 143,202 |
| Loans advanced to growers | (235,092) | (637,769) |
| Repayment of customer loans | 1,301,909 | 1,625,115 |
| Loans advanced to customers | (1,259,174) | (1,609,719) |
| Proceeds from issues of ordinary shares | 11,150 | - |
| Proceeds from/(repayments of) borrowings from related party (AWB Pools) | (342,259) | 261,102 |
| Proceeds from/(repayments of) borrowings | (129,040) | 308,709 |
| Proceeds from/(repayments of) interest bearing deposits | (50,785) | 63,038 |
| Dividends paid | (11,205) | (13,853) |
| Net cash flows from/(used in) financing activities | (449,273) | 39,863 |
| Net increase/(decrease) in cash held | (283,867) | (253,400) |
| Cash at the beginning of the half year | 551,656 | 546,387 |
| Cash at the end of the half year | 267,789 | 292,987 |
| | 31 March | 30 September |
| | 2009 | 2008 |
| | \$'000 | \$'000 |
| Reconciliation of cash and cash equivalents | | |
| Cash and cash equivalent balances comprises: | | |
| - cash at bank and on hand | 267,789 | 551,656 |

AWB LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 MARCH 2009

| CONSOLIDATED | Attributable to equity holders of the parent | | | | | | Minority interest | Total equity | |
|---|--|-------------------|---------------|------------------|---------------|-----------------|-------------------|--------------|------------------|
| | Issued capital | Retained earnings | Staff share | | Hedge reserve | Other reserves | | | Total |
| | | | plan reserves | equity component | | | | | |
| \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | | |
| At 1 October 2007 | 969,743 | 140,431 | 5,593 | - | - | (5,951) | 1,109,816 | 2,131 | 1,111,947 |
| Currency translation differences | - | - | - | - | - | (15,856) | (15,856) | 74 | (15,782) |
| Available-for-sale revaluation | - | - | - | - | - | (7,227) | (7,227) | - | (7,227) |
| Total income and expense for the period recognised directly in equity | - | - | - | - | - | (23,083) | (23,083) | 74 | (23,009) |
| Profit/(loss) for the period | - | 22,255 | - | - | - | - | 22,255 | 347 | 22,602 |
| Total income/(expense) for the period | - | 22,255 | - | - | - | (23,083) | (828) | 421 | (407) |
| Share based payments | - | - | 2,206 | - | - | - | 2,206 | - | 2,206 |
| Appropriation to general legal reserve | - | (2,109) | - | - | - | 2,109 | - | - | - |
| Equity dividends | - | (13,853) | - | - | - | - | (13,853) | (314) | (14,167) |
| At 31 March 2008 | 969,743 | 146,724 | 7,799 | - | - | (26,925) | 1,097,341 | 2,238 | 1,099,579 |

| CONSOLIDATED | Attributable to equity holders of the parent | | | | | | Minority interest | Total equity | |
|---|--|-------------------|---------------|------------------|---------------|----------------|-------------------|---------------|------------------|
| | Issued capital | Retained earnings | Staff share | | Hedge reserve | Other reserves | | | Total |
| | | | plan reserves | equity component | | | | | |
| \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | | |
| At 1 October 2008 | 983,540 | 170,865 | 8,983 | - | - | 4,505 | 1,167,893 | 3,288 | 1,171,181 |
| Currency translation differences | - | - | - | - | - | 7,611 | 7,611 | 412 | 8,023 |
| Cash flow hedge reserve | - | - | - | - | (1,176) | - | (1,176) | - | (1,176) |
| Available-for-sale revaluation | - | - | - | - | - | (863) | (863) | - | (863) |
| Total income and expense for the period recognised directly in equity | - | - | - | (1,176) | - | 6,748 | 5,572 | 412 | 5,984 |
| Profit/(loss) for the period | - | 8,542 | - | - | - | - | 8,542 | 575 | 9,117 |
| Total income/(expense) for the period | - | 8,542 | - | (1,176) | - | 6,748 | 14,114 | 987 | 15,101 |
| Share based payments | - | - | 3,061 | - | - | - | 3,061 | - | 3,061 |
| Appropriation to general legal reserve | - | - | - | - | - | - | - | 7,121 | 7,121 |
| Other* | - | - | - | - | - | - | - | - | - |
| Issue of share capital** | 17,327 | - | - | - | - | - | 17,327 | - | 17,327 |
| Equity dividends | - | (17,590) | - | - | - | - | (17,590) | - | (17,590) |
| At 31 March 2009 | 1,000,867 | 161,817 | 12,044 | (1,176) | - | 11,253 | 1,184,805 | 11,396 | 1,196,201 |

* Other relates to AWB Brasil's (a subsidiary of AWB Limited) minority interest in Nova-Agri Infra-estrutura de Armazenagem e Escoamento Agrícola S.A's share capital. The interest in this entity was obtained in the financial year ending 30 September 2008 (as disclosed in Note 38 of the annual financial statements for the year ended 30 September 2008). Subsequent to the year end the accounting methodology for this investment has been reviewed and the investment is now accounted for as a subsidiary as it has been established that AWB Brasil effectively controls this entity.

** During the half year share capital has been issued to fund the dividend payment and dividend reinvestment.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The condensed half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the group as the full financial report.

The condensed half year financial report should be read in conjunction with the annual financial report of AWB Limited as at 30 September 2008.

It is also recommended that the condensed half year financial report be considered together with any public announcements made by AWB Limited and its subsidiaries (the group) during the half year ended 31 March 2009 in accordance with the continuous disclosure obligations arising under ASX Listing Rules.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ('\$000) unless otherwise stated under the option available to the company under ASIC Class Order 98/100. The company is an entity to which the class order applies.

(a) Basis of preparation

The condensed half year consolidated financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, and AASB 134 "Interim Financial Reporting".

The condensed half year financial report has been prepared on a historical cost basis, except for derivative financial instruments, inventories held as commodity broker-trader, certain loans and receivables and available for sale financial assets that have been measured at fair value.

For the purpose of preparing the condensed half year financial report, the half year has been treated as a discrete reporting period.

(b) Significant accounting policies

The condensed half year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 September 2008. The consolidated entity, has however commenced cash flow hedge accounting (in one of its joint venture entities) in order to manage a USD borrowings interest rate exposure. The hedge was effective as at 31 March 2009, with the mark to market loss recognised in equity (hedge reserve).

(c) Seasonality of operations

AWB Limited's results typically display an element of seasonality mainly due to the nature of products offered by the group.

AWB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2009

| | | Consolidated | |
|--|---|---|------------------|
| | | 31 March 2009 | 31 March 2008 |
| | | \$'000 | \$'000 |
| 2. REVENUES AND EXPENSES | | | |
| Profit for the half year from continuing operations before income tax expense includes the following specific items: | | | |
| (a) Revenue | | | |
| Sale of goods | | | |
| | | 2,879,971 | 2,625,406 |
| | | - other corporations | 382,820 |
| | 6 | 459,433 | 3,008,226 |
| | | - related party (AWB Pools) | 3,339,404 |
| (b) Other income | | | |
| Management fee revenue | | | |
| | | 7,477 | 28,257 |
| | 6 | 7,477 | 28,257 |
| - related party (AWB Pools) | | | |
| Underwriting fees | | | |
| | | 3,197 | 3,349 |
| Dividends | | | |
| | | - other persons/corporations | 181 |
| | | 181 | 77 |
| Profit/(loss) on sale of non-current assets | | | |
| | | - property, plant and equipment | 194 |
| | | - available for sale Investments | 371 |
| | | - | 6,568 |
| | | 194 | 6,939 |
| Other income | | | |
| | | 4,472 | 14,134 |
| Total other income | | | |
| | | 15,521 | 52,756 |
| (c) Finance income | | | |
| Finance income | | | |
| | | - financial institutions | 23,746 |
| | | - loans and advances | 18,750 |
| | | - related party (AWB Pools) | 115,845 |
| | 6 | 743 | 117,474 |
| | | 140,334 | 2,097 |
| | | 138,321 | 138,321 |
| (d) Other expenses | | | |
| Amortisation of non-current assets | | | |
| | | - other intangibles | 5,656 |
| | | - licence fees | 9,668 |
| | | - | 24 |
| | | 5,656 | 9,692 |
| Depreciation of non-current assets | | | |
| | | 9,346 | 9,235 |
| Total depreciation and amortisation expenses | | | |
| | | 15,002 | 18,927 |
| Employee benefit expenses | | | |
| | | 115,771 | 110,793 |
| (e) Significant items included in the income statement | | | |
| Sale of trade memberships and related shares | | | |
| | | - | 6,568 |
| Writedown of employee share loans | | | |
| | | (1,726) | - |
| Provision for Standard Chartered Bank claim | | | |
| | | - | (26,423) |
| Costs associated with "Oil-for-Food Inquiry" legacy issues | | | |
| | | (8,037) | (6,516) |
| Mark to market of equity positions* | | | |
| | | (8,778) | 2,495 |
| | 3 | (18,541) | (23,876) |
| * Subsequent to the half year end, the majority of the equity positions were exited, resulting in a substantial recovery of the position recorded as at 31 March 2009. | | | |
| (f) Finance costs | | | |
| Interest expense | | | |
| | | - other persons/corporations | 97,473 |
| | | - derivatives and fixed rate loans ** | 104,919 |
| | | 5,224 | 54 |
| | 6 | 5,788 | 14,817 |
| | | 108,485 | 119,790 |
| Other finance costs | | | |
| | | - other persons/corporations | 15,068 |
| Total finance costs | | | |
| | | 123,553 | 134,095 |
| ** Derivatives and fixed rate loans includes the following: | | | |
| | | Fair value gain/(loss) on interest rate swaps | (26,943) |
| | | Fair value gain/(loss) on fixed rate loans | 1,049 |
| | | Interest on interest rate swaps | 28,127 |
| | | Interest and financing on other derivatives | (1,083) |
| | | (4,282) | 1,718 |
| | | (2,126) | (1,738) |
| | | (5,224) | (54) |

AWB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2009

3. SEGMENT INFORMATION

The Group's primary segment reporting format is business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. Secondary segment information is reported geographically.

Inter segment pricing is determined on an arm's length basis. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Business segments

The group comprises the following main business segments, based on the group's management reporting system:

31 March 2009

| | <i>Total Operations</i> | | | | | | | | |
|---|---|--|--|---|-----------------------------------|----------------|---------------------|------------------------------|------------------|
| | Pool Management & Harvest Finance | Grain Marketing (formerly Australian Commodity Management) | International Commodity Management | Logistics & Other Investments (formerly Supply Chain and Other Investments) | Landmark Financial Services | Rural Services | Other/ corporate | Intersegment eliminations | |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Revenue | | | | | | | | | |
| External segment revenue | 184,787 | 1,064,510 | 1,150,240 | 175,551 | 118,312 | 790,805 | 11,054 | - | 3,495,259 |
| Intersegment revenue | 853 | 169,148 | 23,858 | 28,466 | (1,399) | (521) | 174,701 | (395,106) | - |
| Total consolidated revenue | 185,640 | 1,233,658 | 1,174,098 | 204,017 | 116,913 | 790,284 | 185,755 | (395,106) | 3,495,259 |
| Results | | | | | | | | | |
| Underlying EBITDA* | 5,937 | 29,941 | 4,462 | 12,254 | 16,059 | 12,046 | (6,125) | - | 74,574 |
| Share of associates profits | - | - | - | 2,091 | - | (3,078) | - | - | (987) |
| Total underlying EBITDA | 5,937 | 29,941 | 4,462 | 14,345 | 16,059 | 8,968 | (6,125) | - | 73,587 |
| Depreciation & amortisation | - | - | (1,214) | (4,199) | (668) | (4,083) | (4,838) | - | (15,002) |
| Underlying EBIT | 5,937 | 29,941 | 3,248 | 10,146 | 15,391 | 4,885 | (10,963) | - | 58,585 |
| Significant items | - | - | - | - | - | - | (18,541) | - | (18,541) |
| Segment result | 5,937 | 29,941 | 3,248 | 10,146 | 15,391 | 4,885 | (29,504) | - | 40,044 |
| Corporate net interest expense | - | - | - | - | - | - | - | - | (29,691) |
| Profit/(loss) before income tax and minority interest | - | - | 966 | (1,322) | - | (219) | - | - | 10,353 |
| Income tax expense | - | - | - | - | - | - | - | - | (1,236) |
| Profit attributable to minority interest | - | - | - | - | - | - | - | - | (575) |
| Profit attributable to members of the parent | | | | | | | | | 8,542 |

31 March 2008

| | <i>Total Operations</i> | | | | | | | | |
|---|---|--|--|---|-----------------------------------|----------------|---------------------|------------------------------|------------------|
| | Pool Management & Harvest Finance | Grain Marketing (formerly Australian Commodity Management) | International Commodity Management | Logistics & Other Investments (formerly Supply Chain and Other Investments) | Landmark Financial Services | Rural Services | Other/ corporate | Intersegment eliminations | |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Revenue | | | | | | | | | |
| External segment revenue | 181,199 | 504,091 | 1,416,216 | 121,603 | 115,009 | 828,477 | 32,708 | - | 3,199,303 |
| Intersegment revenue | 1,722 | 141,232 | (41) | 2,054 | (1,495) | 9 | 82,625 | (226,106) | - |
| Total consolidated revenue | 182,921 | 645,323 | 1,416,175 | 123,657 | 113,514 | 828,486 | 115,333 | (226,106) | 3,199,303 |
| Results | | | | | | | | | |
| Underlying EBITDA* | 23,969 | 22,803 | 7,421 | (1,909) | 12,845 | 25,043 | 8,493 | - | 98,665 |
| Share of associates profits | - | - | - | 2,345 | - | 7,250 | - | - | 9,595 |
| Total underlying EBITDA | 23,969 | 22,803 | 7,421 | 436 | 12,845 | 32,293 | 8,493 | - | 108,260 |
| Depreciation & amortisation | - | - | (381) | (4,148) | (641) | (4,120) | (9,637) | - | (18,927) |
| Underlying EBIT | 23,969 | 22,803 | 7,040 | (3,712) | 12,204 | 28,173 | (1,144) | - | 89,333 |
| Significant items | - | - | - | - | - | - | (23,876) | - | (23,876) |
| Segment result | 23,969 | 22,803 | 7,040 | (3,712) | 12,204 | 28,173 | (25,020) | - | 65,457 |
| Corporate net interest expense | - | - | - | - | - | - | - | - | (27,211) |
| Profit/(loss) before income tax and minority interest | - | - | 5 | (134) | - | (218) | - | - | 38,246 |
| Income tax expense | - | - | - | - | - | - | - | - | (15,644) |
| Profit attributable to minority interest | - | - | - | - | - | - | - | - | (347) |
| Profit attributable to members of the parent | | | | | | | | | 22,255 |

* EBITDA includes interest margin earned on financial services products and other interest revenue amounts that are not related to funding.

The Pool Management Services segment has been combined with Harvest Finance, which is reflective of the how this business is managed internally. The Chartering business has been reallocated from the former Australian Commodities Management Segment to the Logistics & Other Investments segment (formerly Supply Chain and Other Investments), to reflect the way in which this business is managed. The comparative balances have been changed to reflect the segment reallocations. The reallocations have had no impact on the allocation of goodwill.

AWB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2009

4. DIVIDENDS

| | 31 March | 31 March |
|---|-----------------|-----------------|
| | 2009 | 2008 |
| | \$'000 | \$'000 |
| (a) Dividends declared and paid during the half year: | | |
| - Final franked dividend: 5 cents per share (2007: 4 cents per share) | 17,590 | 13,853 |

AWB offers shareholders a dividend reinvestment plan ("DRP"). The DRP for dividends paid during the period enabled ordinary shareholders to reinvest all or part of their dividend in additional shares at a discount of 2.5%.

No dividends were declared for the 31 March 2009 half year end.

5. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

| Name | % | Contribution to net profit | |
|--|-----|-----------------------------------|-----------------|
| | | 31 March | 31 March |
| | | 2009 | 2008 |
| | | \$'000 | \$'000 |
| Arcadian Wool Brokers Limited | 40 | 119 | 178 |
| AWH Pty Ltd (formerly Wooldumpers Australia Pty Ltd) | 50 | 1,824 | 2,205 |
| Five Star Flour Mills Company SAE (FSFM) | 30 | 1,984 | 1,980 |
| Five Star Feed Mills and Animal Production Company SAE | (i) | 107 | 365 |
| ELF Australia Pty Ltd | 50 | (4,723) | 3,875 |
| RD1 Limited | 50 | (91) | 940 |
| Farmerequip Pty Ltd | 50 | (1) | 58 |
| Genstock Pty Ltd | 50 | (206) | (6) |
| | | <u>(987)</u> | <u>9,595</u> |

Five Star Flour Mills and Five Star Feed Mills are based in Egypt.

(i) AWB Group holds 23.7% directly. The other 9% is indirectly held through FSFM.

AWB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2009

6. RELATED PARTY DISCLOSURES

| | Notes | Consolidated | |
|--|-------|----------------------------|----------------------------|
| | | 31 March 2009 \$'000 | 31 March 2008 \$'000 |
| Transactions with related parties | | | |
| Borrowing costs expensed | | | |
| -related party (AWB Pools) | 2(f) | 5,788 | 14,817 |
| Revenue from sale of goods | | | |
| - related party (AWB Pools) | 2(a) | 459,433 | 382,820 |
| Purchases from related party (AWB Pools) | | 275,498 | 109,564 |
| Purchases from associates | | 26,344 | 46,987 |
| Management fee revenue | | | |
| - related party (AWB Pools) | 2(b) | 7,477 | 28,257 |
| Interest revenue | | | |
| - related party (AWB Pools) | 2(c) | 743 | 2,097 |

Terms and conditions

Interest is charged or credited on amounts with AWB Limited at prevailing commercial interest rates. All other transactions within the AWB Limited group are based on actual amounts incurred or received and are conducted on commercial terms and conditions.

| | 31 March 2009 \$'000 | 30 September 2008 \$'000 |
|--|----------------------------|--------------------------------|
| Outstanding balances arising from sales/purchases of goods and services | | |
| The following balances are outstanding at the reporting date in relation to transactions with related parties: | | |
| Current receivable from | | |
| - related party (AWB Pools) | 92,292 | 169,681 |
| - associates | 14,169 | 14,305 |
| Current payable to | | |
| - related party (AWB Pools) | 363,765 | 681,780 |

No provision has been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or doubtful debts due from related parties.

7. CONTINGENT LIABILITIES

| | 31 March 2009 \$'000 | 30 September 2008 \$'000 |
|---|----------------------------|--------------------------------|
| Litigation claims | | |
| Several claims for damages and costs were lodged against AWB Limited and its controlled entities which denied liability and defended the claims. The litigation claims include other claims which are not individually material. The maximum damages/costs claimed but not otherwise recognised in the balance sheet were estimated to amount to: | | |
| | 493 | 587 |

Indemnities

The parent entity had contingent liabilities at 31 March 2009 in respect of indemnities given by the AWB Limited to AWB (International) Limited against possible costs incurred by AWB (International) Limited arising in relation to proceedings under the Oil-for-Food Inquiry. This indemnity may give rise to liabilities in the parent entity in the event that AWB (International) Limited incurs an indemnified liability. Any possible liabilities cannot be quantified at the date of this report.

Commitments

At 31 March 2009 the Group had commitments of \$9.427 million (30 September 2008 \$12.478 million).

8. SUBSEQUENT EVENTS

There are no subsequent events which are likely to have a material effect on the entity's financial statements.

9. CLASS ACTIONS

Proceedings were commenced against AWB Limited in four separate class actions and one quasi-class action. One of these has been finally dismissed. The resultant impact, if any, on the financial position of AWB Limited arising directly and indirectly from the remaining class actions is unknown and therefore not reflected in this report.

Mastafa and Ismail Claim

In September 2007, a class action Complaint was filed against AWB Limited, AWB (USA) Limited and BNP Paribas in the US District Court for the Southern District of New York on behalf of Saadya Mastafa and Kafia Ismail, allegedly representing a class comprising victims (or the surviving immediate family members of victims) of crimes allegedly perpetrated by the Saddam Hussein regime in Iraq from 1996 to 2003. The Complaint asserted causes of action under the US Alien Tort Claims Act. The damages alleged to have been suffered by the plaintiffs were unspecified.

On 25 September 2008, the Court granted each of the defendants' Motions to Dismiss the Complaint. The complaint against AWB Limited was dismissed on grounds that Australia was the proper forum to hear the complaint. The court ruled that (as is standard in the case of such dismissals by the Court) if an Australian court of last review refuse jurisdiction over any action brought in Australia by the plaintiffs, or if AWB does not waive any statute of limitations defences available to it, the US court will 'resume' jurisdiction over the plaintiffs' claims. The Judge noted that a conditional dismissal such as this is standard in this Court. The complaint against AWB (USA) Limited was dismissed on the grounds of a failure to properly plead a claim against it. The Court granted the plaintiff leave to re-plead its case against AWB (USA) Limited. No such repleading has been filed to date.

Watson (Shareholder) Class Action

On 9 October 2007 proceedings were filed in the Federal Court of Australia against AWB Limited by John and Kaye Watson as a class action under Part IVA of the Federal Court Act. The plaintiffs seek a declaration that AWB Limited contravened the continuous disclosure provisions of the Corporations Act by not informing the ASX of AWB Limited's knowledge of the facts surrounding its activities in relation to the Oil-For-Food ("OFF" Programme) and also seek an order that AWB Limited pay the plaintiffs compensation for damage resulting from that contravention, on the grounds that had the facts been publicly available the plaintiffs would not have purchased AWB Limited shares either at all or at the prices paid. In October 2008 the Plaintiffs filed a further amended Statement of Claim, extensively re-pleading their case. AWB has filed its Defence to the amended claim.

The damage alleged by the plaintiffs John and Kaye Watson in the amended statement of claim is \$20,400. However, IMF (Australia) Limited, which is funding the class action has on its website an estimate of the maximum potential damages for all plaintiffs in the class as approximately \$60 million.

The court has ordered that a mediation take place before the Hon GE Fitzgerald AC QC on or before 3 July 2009. The trial has been set down for 6 weeks beginning 7 September 2009.

Karim (Iraqi Residents' Class Action)

The Karim Class action was filed against AWB Limited, AWB (USA) Limited and BNP Paribas in the US District Court for the Southern District of New York on 22 December 2006. Commodity Specialists Company (CSC) of New York was subsequently joined as a Defendant by the plaintiffs. The plaintiffs are stated to be residents of the 3 northern governorates of Iraq.

The complaint (as amended and filed on the 17 June 2007) alleges that by reason of AWB's conduct during the Oil-for-Food ("OFF") Programme, AWB depleted the UN OFF escrow account, and thereby unlawfully deprived these plaintiffs and the others in the class (all of whom it is alleged are or were residents of the 3 northern governorates of Iraq) of the humanitarian benefits which those funds would have purchased for them. It also alleges that these actions amounted to violations of the U.S Racketeer-Influenced and Corrupt Organisations ("RICO") Act and the plaintiffs are claiming treble damages under RICO. No specified amount of damages is stated in the amended Complaint.

On 30 September 2008, all of the Defendants' Motions to Dismiss the Complaint were granted by the Court. On 22 October 2008 the Plaintiffs filed in the US Court of Appeals for the Second Circuit a Notice of Appeal against the dismissals. On 9 February 2009 the plaintiffs' appeal brief was filed, and AWB's brief in response was filed on 10 April 2009. No oral argument will take place before 6 July 2009.

Iraq Government civil lawsuit

On 1 July 2008 the Iraqi Government filed a civil lawsuit (technically not a class action) in the US District Court for the Southern District of New York against AWB and 92 other companies who participated in the UN Oil-for-Food Programme, including banks, petroleum companies, motor manufacturers, pharmaceutical companies, etc., alleging the defendants participated in an illegal conspiracy with the 'former Saddam Hussein regime', contrary to the US Racketeer-Influenced and Corrupt Organisations Act (RICO), to divert funds from the UN Oil-for-Food Programme escrow account. Damages alleged are US\$10.4bn, and treble damages are claimed under RICO.

The Court granted an extension until 22 February 2009 for the plaintiff to serve the claim on the 93 defendants, and on 26 March 2009 the Court granted a further extension to 24 July 2009 of the period for service of the claim on the non-U.S. defendants. Following this extension AWB has been properly served with the summons and Complaint. The plaintiff has indicated that it intends to file an amended Complaint in the matter, and the parties are currently discussing a possible schedule for filing and service of an amended Complaint and for subsequent motions to dismiss. AWB will vigorously defend the suit.

10. OIL FOR FOOD INQUIRY

The Report of the Commission of Inquiry in relation to the United Nations Oil-for-Food Programme (the "Cole Report"), tabled in Parliament in November 2006, found that certain acts and conduct by AWB Limited, AWB (International) Limited ("AWBI") and certain of their former employees and officers, in conjunction with the UN Oil-for-Food Programme for Iraq ("OFF Programme"), might have breached certain provisions of the Criminal Code, Crimes Act 1958 (Vic) and Banking (Foreign Exchange) Regulations 1959. It recommended the establishment of a joint Task Force comprising the Australian Federal Police, Victoria Police and the Australian Securities and Investments Commission ("ASIC") to consider possible prosecutions of AWB, AWBI and certain of those individuals. The Task Force recommended by the Cole Report was established in December 2006.

In December 2007 ASIC issued civil proceedings in the Supreme Court of Victoria against two former directors and four former employees of AWB Limited. In November 2008, the Court stayed those proceedings, except for those against Mr Andrew Lindberg, AWB's former managing director.

At the date of writing, no legal action has been commenced against AWB Limited or any of its subsidiaries by any of the relevant authorities in relation to the findings of the Cole Inquiry.

The resultant impact, if any, on the financial position of AWB Limited arising directly and indirectly from these and other potential legal actions arising from the Cole Inquiry is unknown and therefore not reflected in the half year report.

11. STANDARD CHARTERED BANK LITIGATION

In February 2005, Standard Chartered Bank plc brought an action against AWB (USA) Ltd in the US District Court for the Southern District of New York in respect of a promissory note dispute. The amount claimed was approximately USD35m. On 14 January 2008 Judge Hellerstein issued his opinion directing the entry of judgement against AWB (USA) Ltd, and on 16 January 2008, judgement was entered against AWB (USA) Ltd in the amount of approximately USD 24.3m.

On 23 January 2008, AWB (USA) Ltd filed a notice of appeal with the United States Court of Appeals for the Second Circuit, and filed its Appeal Brief on 15 April 2008. On 21 April 2009 the Court of Appeals notified AWB that a brief oral hearing has been scheduled for 27 May 2009. AWB has secured the judgement debt to the satisfaction of Standard Chartered Bank plc and the judgement has been stayed pending the awaited decision of the Court of Appeals.

AWB Limited has chosen to take up a provision of USD 24.3m against this liability, even though it is of the view that AWB (USA) Ltd has a strong position, and AWB (USA) Ltd will continue to pursue its appeal avenues.

12. RECOVERABLE AMOUNT OF GOODWILL

As at 31 March 2009, the Cash Generating Units (CGUs) to which goodwill is allocated (Landmark Financial Services and Landmark Rural Services) have been tested for impairment. The assessment concluded that the carrying values of assets remained appropriate and no current period adjustment through profit and loss was required, goodwill allocated to the Landmark Rural Services is \$303.2m and to Landmark Financial Services is \$215.5m.

Landmark Rural Services

Recoverable amounts for this CGU has been determined based on value in use calculations using cash flow projections based on financial forecasts approved by management covering a three year period. Cashflows beyond the three year period have been extrapolated using a growth rate of 3.39% (30 September 2008: 3.39%) per annum, which is in line with the long term average growth rate for the agribusiness rural services sector.

The pre-tax, real discount rate (the real discount rate assumes no inflation in cash flows and hence adjusts the discount rate downwards for inflation, when compared to the nominal discount rate) is 9.55% (30 September 2008: 8.54%).

Landmark Financial Services

Recoverable amounts for this CGU has been determined based on value in use calculations using cash flow projections based on financial forecasts approved by management covering a three year period. Cashflows beyond the three year period have been extrapolated using a growth rate of 5% (30 September 2008: 5%) per annum, which is in line with the long term average growth rate for the agribusiness financial services sector.

The pre-tax, real discount rate (the real discount rate assumes no inflation in cash flows and hence adjusts the discount rate downwards for inflation, when compared to the nominal discount rate) is 9.48% (30 September 2008: 8.19%).

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's objective for holding financial instruments has remained unchanged since 30 September 2008. The main risks identified at 30 September 2008 remain unchanged and are interest rate risk, foreign currency exchange risk, commodity price risk, liquidity risk and credit risk. The details for the significant accounting policies and methods adopted are disclosed in Note 1 to the annual financial statements for the year ended 30 September 2008. The details on exposures to financial instruments and the risk management policies are disclosed in Note 31 to the annual financial statements for the year ended 30 September 2008, all instruments used and policies applied remain consistent as at 31 March 2009, with the exception of a cash flow hedge entered into by a joint venture company, as disclosed in Note 1 of this report. A detailed listing of liquidity facilities available to the group as at 31 March 2009 is provided in Note 14 of this report.

AWB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2009

14. FINANCING ARRANGEMENTS

AWB Group's overall position regarding financing can be summarised as follows:

- Non-current assets excluding Landmark Financial Services term loans are largely funded by equity while current assets are largely funded by debt facilities;
- Current assets are matched to short term facilities.

Financing activities

- AWB has two broad forms of financing activity - working capital financing (including seasonal financing, inventory financing and receivables securitisation) and funding farmer loans (Landmark Financial Services).
- AWB's strategy is to diversify funding sources to minimise costs and broaden funding and liquidity options.
- In light of the diverse business mix in the Group, AWB borrows for specific purposes to minimise its cost and maximise effectiveness.

Capital Structure

The AWB Group's borrowings are primarily driven by three core activities being the provision of:

- Finance and payments to growers delivering wheat to the AWB Pool through AWB Harvest Finance;
- Working capital to AWB Group companies encompassing Landmark, domestic and offshore operations; and
- Finance for Landmark-originated finance facilities provided to Australian rural businesses and individuals through the Rural Master Trust financing program.

A summary of committed debt and other funding facilities available to the group by business segment as at the half year end balance date is detailed as follows:

Landmark Financial Services

| Committed Credit Facilities | Ref | Currency | Facility Limit \$'000 | Facility Maturity | Utilisation \$'000 |
|---|-----|-----------------|-----------------------|--------------------------|---------------------------|
| Rural CP Warehouse Trust - Securitisation Program Limit (Tranche 1) | (1) | AUD | \$1,172,400 | May-09 | |
| Rural CP Warehouse Trust - Securitisation Program Limit (Tranche 2) | (1) | AUD | \$468,960 | Nov-09 | |
| Rural CP Warehouse Trust - Securitisation Program Limit (Tranche 3) | | AUD | \$468,960 | May-10 | |
| Rural CP Warehouse Trust - Securitisation Program Limit (Tranche 4) | | AUD | \$234,480 | Nov-10 | |
| Rural CP Warehouse Trust - Securitisation Program Limit Total Facility | (1) | AUD | \$2,344,800 | as above | \$1,954,723 |
| Rural Warehouse Trust #1 – Bank Facilities | (1) | AUD | \$250,000 | Dec-09 | \$210,999 |
| Landmark - Stocklease Finance Securitisation Facility | | AUD | \$200,000 | Jul-10 | \$15,408 |
| Other Funding Platforms | | Currency | | Facility Maturity | Utilisation \$'000 |
| Landmark - Unsecured deposit notes | | AUD | | At Call & Various Terms | \$359,576 |

Rural Services/Australian Commodity Management

| Committed Credit Facilities | Ref | Currency | Facility Limit \$'000 | Facility Maturity | Utilisation \$'000 |
|--|-----|-----------------|------------------------------|------------------------|---------------------------|
| AWBCF – Syndicated Bank Facility | (2) | AUD | \$400,000 | Oct-09 | - |
| AWB Australia – Committed Inventory Financing Facility | | AUD | \$120,000 | Dec-09 | \$120,000 |
| AWB Australia – Committed Inventory Financing Facility | | AUD | \$75,000 | Jun-09 | \$74,048 |
| Rural Trade Receivables Trust - Committed Securitisation Program Limit | | AUD | \$280,000 | Oct-09 | \$180,000 |
| Uncommitted Credit Facilities | | Currency | Facility Limit \$'000 | Facility Review | Utilisation \$'000 |
| AWB Australia – Uncommitted Inventory Financing Facility | | AUD | \$60,000 | Dec-09 | \$60,000 |

AWB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2009

Harvest Finance

| Committed Credit Facilities | Ref | Currency | Facility Limit \$'000 | Facility Maturity | Utilisation \$'000 |
|--|-----|----------|-----------------------|-------------------|--------------------|
| AWB Harvest Finance – Uncommitted Inventory Financing Facility | (3) | AUD | \$157,500 | Dec-09 | \$135,042 |
| AWB Harvest Finance – Uncommitted Inventory Financing Facility | (3) | AUD | \$135,000 | Oct-09 | |

| Uncommitted Credit Facilities | | Currency | Facility Limit \$'000 | Facility Review | Utilisation \$'000 |
|---|-----|----------|-----------------------|-----------------|--------------------|
| AWB Harvest Finance - Euro Commercial Paper | (4) | USD | \$1,500,000 | N/A | |
| AWB Harvest Finance - Domestic Commercial Paper | (4) | AUD | \$2,000,000 | N/A | |
| AWB Harvest Finance - Medium Term Notes | (4) | AUD | \$500,000 | N/A | |

| Other Funding Platforms | | Currency | Facility Maturity | Utilisation \$'000 |
|--|--|----------|-------------------|--------------------|
| Related Party Loans - AWB National Pools | | AUD | At Call | \$198,601 |

International Commodity Management

| Uncommitted/ Committed Credit Facilities | | Currency | Facility Limit \$'000 | Facility Review | Utilisation \$'000 |
|---|--|----------------|-----------------------|-----------------|--------------------|
| Offshore - Working Capital Financing Facilities | | AUD equivalent | \$834,600 | Annual | \$311,970 |

Groupwide

| Other Funding Platforms | | Currency | Facility Maturity | Utilisation |
|--------------------------|--|----------|-------------------|-------------|
| Accrued Interest & Other | | AUD | | \$10,863 |

| | | | | |
|--------------------|--|--|--|--------------------|
| Grand Total | | | | \$3,631,230 |
|--------------------|--|--|--|--------------------|

(1) The Rural CP Warehouse Trust (CPWT) securitisation programme funds the majority of the Landmark Financial Services loan book through the issuance of commercial paper and/or liquidity backstop facilities provided by banks. The remainder of the Landmark Financial Services loan book is funded through the Rural Warehouse Trust No 1 (RWT) which is a bank funded warehouse structure with facilities provided by one of the CPWT banks, together with a First Loss Note and provisions. This funding is substantially non-recourse to AWB.

The current \$2.3 billion CPWT Liquidity and LC Programme facilities Limits were renegotiated May 2009 with varying maturity terms. From tranche 1, the limit has been reduced by \$120 million, \$31.1 million matures in November 2009 and \$1.021 billion has been extended to a maturity of May 2010.

The RWT facility limit will reduce to \$165 million by the 31 May 2009, with maturity in May 2010.

(2) The \$400 million Syndicated Loan Facility is a general corporate purpose loan facility provided by four banks to AWB Commercial Funding (AWBCF). With the extension of the \$280 million one year tranche of this facility for a further year as of October 2008, the entire facility now matures in October 2009. Management are currently in discussions with the banks to extend the term of this facility.

(3) To fund its operations for the current season, AWB Harvest Finance has completed 3 committed inventory financing facilities, which had total limits of \$563 million. Since establishment of these facilities, management has elected to terminate/reduce these facility commitments in line with revised AWB Harvest Finance external funding requirements post harvest.

(4) AWBHF has not issued any commercial paper in the current financial year and has funded its activities via inventory financing arrangements with the 2008/09 AWB Pool.

AWB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2009

15. RESTATEMENT OF PRIOR PERIOD BALANCES

During the six months ended 31 March 2009 the consolidated entity became aware that:

Certain other assets related to inventory had been overstated and trade payables understated in the accounts as at 30 September 2008.

The comparatives in the balance sheet disclosed at 30 September 2008 have been restated, the effect can be seen in the table below. In addition, the income statement at 30 September has been restated, along with earnings per share, also disclosed in the table below. As a result of the restatement, opening balances in the statement of changes in equity have been revised.

There is no impact on the Income Statement for the six months ended 31 March 2008.

| | 30 September 2008 | Variance | 30 September 2008 |
|---|------------------------------|-----------------|---------------------------------------|
| | Restated \$'000 | \$'000 | Previously reported \$'000 |
| Income Statement | | | |
| Revenue | 6,501,548 | | 6,501,548 |
| Cost of sales | (6,011,510) | (6,081) | (6,005,429) |
| Gross profit/(loss) | 490,038 | (6,081) | 496,119 |
| Finance revenue | 303,156 | | 303,156 |
| Finance costs | (304,253) | | (304,253) |
| Other income | 39,995 | | 39,995 |
| Other expenses | (471,745) | | (471,745) |
| Share of profit of associates | 20,734 | | 20,734 |
| Profit before income tax | 77,925 | (6,081) | 84,006 |
| Income tax expense | (16,615) | 2,068 | (18,683) |
| Net profit for the period | 61,310 | (4,013) | 65,323 |
| Profit attributable to minority interest | 1,037 | | 1,037 |
| Profit attributable to members of the parent | 60,273 | (4,013) | 64,286 |
| Earnings per share (cents) | | | |
| - basic earnings per share | 17.3 | (1.2) | 18.5 |
| - diluted earnings per share | 17.2 | (1.2) | 18.4 |
| Balance Sheet | | | |
| Assets | | | |
| Cash and cash equivalents | 551,656 | | 551,656 |
| Loans and advances | 4,046,740 | | 4,046,740 |
| Inventories | 558,797 | | 558,797 |
| Derivative financial instruments | 388,123 | | 388,123 |
| Investments | - | | - |
| Available for sale financial assets | 7,313 | | 7,313 |
| Other assets | 141,508 | (5,264) | 146,772 |
| Investments accounted for using the equity method | 122,646 | | 122,646 |
| Property, plant and equipment | 144,020 | | 144,020 |
| Intangible assets | 538,238 | | 538,238 |
| Deferred income tax assets | 102,424 | 2,342 | 100,082 |
| Total assets | 6,601,465 | (2,922) | 6,604,387 |
| Liabilities | | | |
| Trade and other payables | 791,510 | 1,626 | 789,884 |
| Interest-bearing loans and borrowings | 4,153,314 | | 4,153,314 |
| Income tax payable | 59,107 | | 59,107 |
| Provisions | 67,984 | | 67,984 |
| Derivative financial instruments | 352,596 | | 352,596 |
| Other liabilities | 324 | | 324 |
| Deferred income tax liabilities | 5,449 | | 5,449 |
| Total liabilities | 5,430,284 | 1,626 | 5,428,658 |
| Net assets | 1,171,181 | (4,548) | 1,175,729 |
| Equity | | | |
| Contributed equity | 983,540 | | 983,540 |
| Reserves | 13,488 | (535) | 14,023 |
| Retained profits | 170,865 | (4,013) | 174,878 |
| Total parent entity interest | 1,167,893 | (4,548) | 1,172,441 |
| Minority interest | 3,288 | | 3,288 |
| Total equity | 1,171,181 | (4,548) | 1,175,729 |

AWB LIMITED
DIRECTORS' DECLARATION

In the directors' opinion

(a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the financial position as at 31 March 2009 and the performance for the half year ended on that date of the consolidated entity; and

(ii) comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

On behalf of the Board



Peter Polson
Chairman



Gordon Davis
Managing Director

Melbourne
20 May 2009

To the members of AWB Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of AWB Limited, which comprises the condensed balance sheet as at 31 March 2009, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 March 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of AWB Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

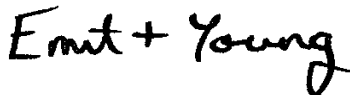
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of AWB Limited is not in accordance with the *Corporations Act 2001*, including:

- i) giving a true and fair view of the consolidated entity's financial position as at 31 March 2009 and of its performance for the half-year ended on that date; and
- ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of Matter - Inherent Uncertainty

Without qualification to the review opinion above, attention is drawn to Note 9 &10 of the half-year financial report. We note that there is inherent uncertainty surrounding the consolidated entity with regard to matters associated with the Federal Inquiry into certain Australian companies in relation to the United Nations Oil-For-Food Programme (the "Oil-For-Food Inquiry") including resultant legal actions. As the impact on the operations arising from the findings of the Oil-For-Food Inquiry has not yet been fully determined, there is uncertainty as to the resultant impact, if any, on the financial position, financial performance and cash flows of the consolidated entity and its operations arising directly or indirectly from the findings of the Oil-For-Food Inquiry. The potential financial effects, if any, arising from these findings are not contained in this financial report.

A handwritten signature in black ink that reads 'Ernst + Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Brett Kallio'.

Brett Kallio
Partner
Melbourne
20 May 2009