

JP Morgan A Day at the Farm



Gordon Davis
23 June 2009



Our corporate focus

Proximity to Asia

\$36 bn gross annual value *

Rising farm income
& exports

Australian agriculture sector is attractive

Key
financial
&
strategic
objectives

Simpler, lower risk business

Sustainable earnings profile

Streamlined debt profile

Customer centric approach

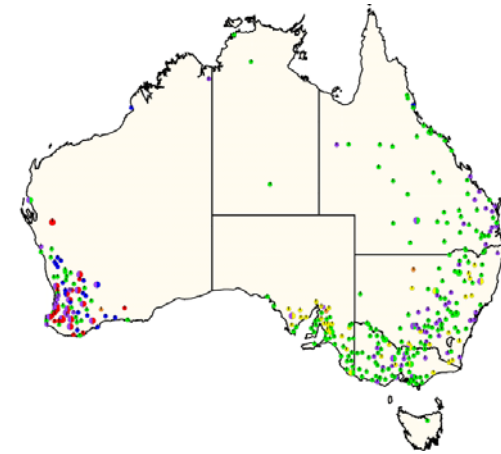
Improved returns

* source: Australian Bureau of Statistics, "Australian Farming in Brief, 2008"

Favourable forecast for 2009/10 season

- Latest ABARE forecast for 22m tonne wheat crop in 2009/10
 - Australian Commodity Management benefit from strong season
- Area sown for winter crops forecast to increase to 21.9 million hectares
 - Landmark benefit from solid activity
- 53% increase in Vic and SA production
 - GrainFlow and MPT benefit from increased volumes
- Combined effect of falling costs and increased receipts led to a doubling in average farm cash income (cropping farms) in 07/08 to \$121,700
 - Expected to rise to \$145,900 in 08/09

Landmark locations – diversified nationally

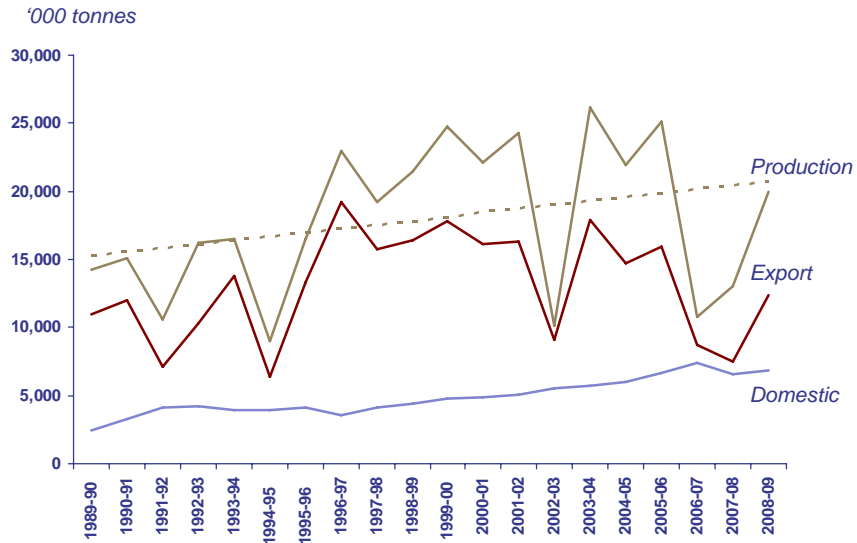


Grainflow locations – south eastern Australia

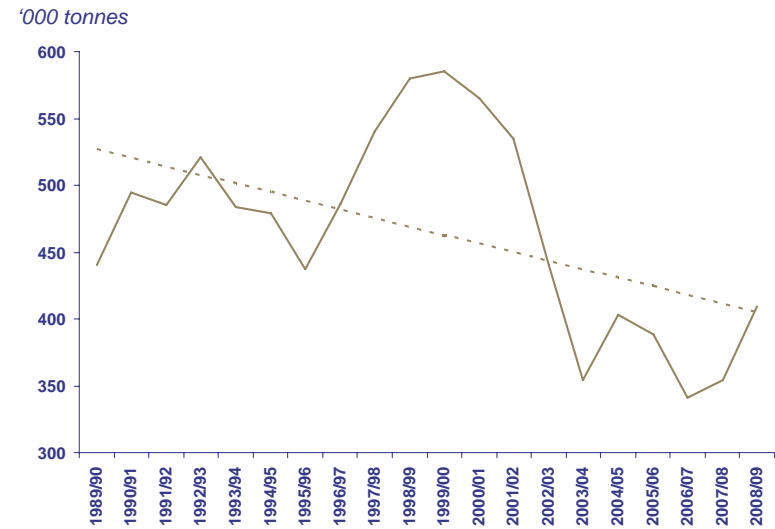


Increasing Australian wheat production, declining world stocks

Australian wheat production



World wheat, coarse grains & rice end stocks



- Australian wheat production is gradually rising
 - Combination of improved agricultural techniques, higher yielding varieties and increase in area sown to crops
 - The effect of droughts shows very clearly, so production can be volatile
- The world is consuming more than it is producing, whether it is for direct human food, animal feed as demand for protein growers, or ethanol production.
 - The latter two tend to be the growth areas, more than direct human consumption.

AWB has the capabilities to leverage these long term opportunities

- **Landmark Rural Services**
 - 400 plus individual “touch points”
 - Strong brand
 - 100,000 plus clients
 - Strategic equity positions in key supporting business activities
- **Commodities**
 - Over 60 years experience in marketing Australian wheat
 - Relationships with 30,000 domestic growers
 - Strategic presence in attractive international agricultural markets / hubs
- **Landmark Financial Services**
 - Leading distribution network
 - Loyal customer base & sound credit quality
 - Strong insurance business providing stable fee earnings with potential to grow

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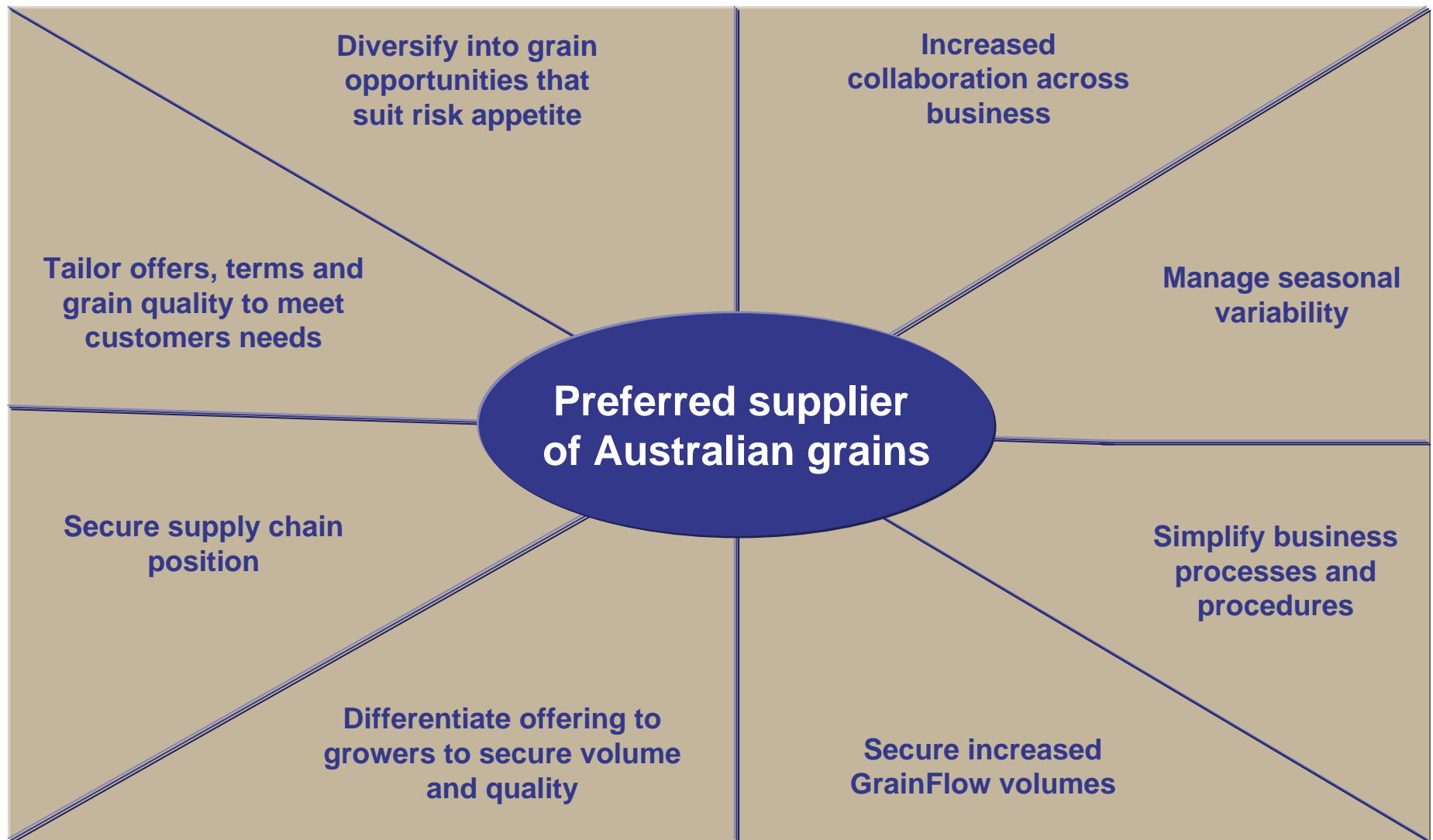
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Focus on lower risk commodities activities

- RAROC (Risk Adjusted Return On Capital) has provided the methodology for targeting simpler, lower risk commodities activities
- Increase activity in infrastructure, logistics & rail
- Market risk well managed
 - Back to back transactions with appropriate hedging, risk measurement and reporting
- Credit risk is a significant risk for the business
 - Increased resourcing in credit risk management
 - Refocusing the Brazil business and enhancement of credit policy
 - New systems implemented in Geneva and Brazil to better capture and measure exposures

Focus on Australian Commodity Management's core capabilities



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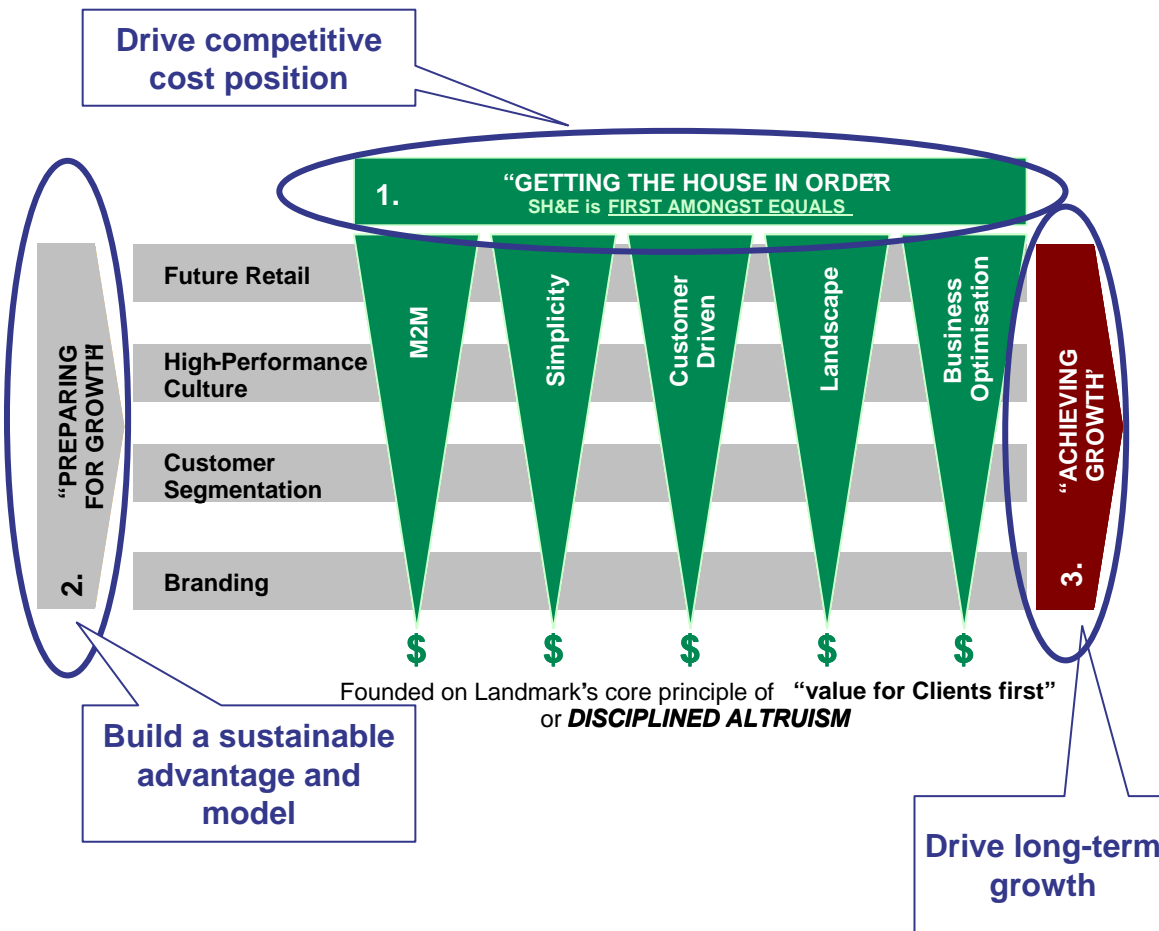
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Creating the platform for long term growth

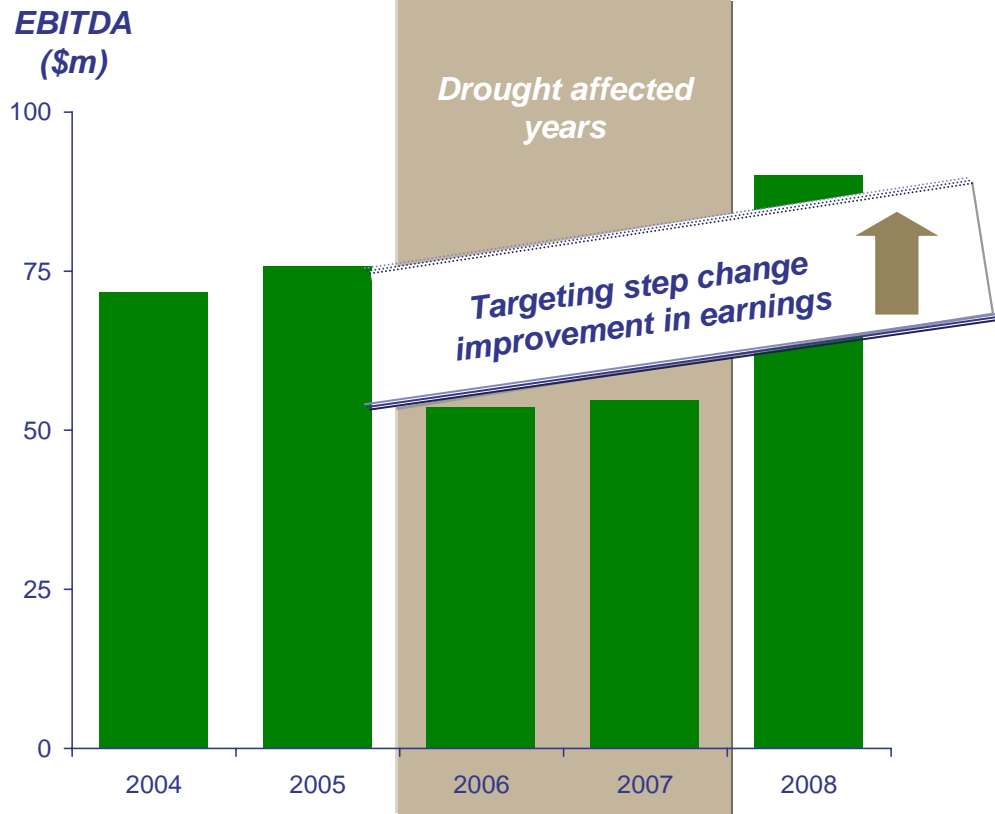


- House in order projects making progress
 - Working capital reduction
 - Improved margin management
- Customer driven
 - Structure, key account managers, branch managers
- Brand development & re-imaging
- Investment in critical business assets
 - SAP, POS, stores & store formats
 - Investing in repositioning business activities
- Organisation improvement
 - New talent & capability, training & development, reduced employee churn

LANDMARK

finance insurance real estate wool farm services livestock fertiliser merchandise look to us

Targeting \$20-25m improvement in baseline earnings in Landmark



- In a normal year Landmark assumes 1.5 states drought affected. In a drought year, approximately 3 states drought affected.
- Difference in earnings between normal and drought is \$20m to \$25m EBITDA
- Achieved through optimising margins and lower cost base with improved flexibility

LANDMARK

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Resetting Landmark for the new reality

From...

...To

Key elements of the portfolio underperforming



All elements delivering annual growth in earnings and acceptable returns

One size fits all model



Model aligned to value and customer segments

Servicing clients we know



Selling products, systems and access to knowledge and services to targeted clients

High cost



Lower cost with improved flexibility in operating model

Geographical organisation



Organised around customer segments supported by market leading supply chain, merchandising and information systems

Inconsistent capture of Intellectual Property



Institutionalised Intellectual Property

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Streamlined debt profile

Refinancing

- Significant refinancing achieved since 30 September 2008
- Ongoing refinancing program for Landmark Financial Services

Debt Reduction

- Target to reduce net corporate debt by at least \$200 million by 30 September 2009 (compared to pcp)
- Solid progress made by 31 March 2009 with a reduction of more than \$150m through lower working capital

LFS funding

- Strength of Landmark Financial Services is in its distribution network
- Well progressed on the review of the funding model

Certainty

- Aim to increase term on core domestic facilities
- Well progressed on remaining refinance required in 2009

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Customer centric strategy

Strategic priorities

Building strong and valued long-term relationships by providing products, advice and services that improve producers' financial returns

Buying targeted commodities at the right price from preferred locations

Maximising volume by offering a competitive product

Bringing experience, expertise and knowledge together with customer relationships across a range of commodities in key markets

Where we participate

Strategic Sourcing

Distribution

Advice

Production

Origination

Storage and handling

Marketing

Processing

Outcome

Building an agribusiness based on excellence, creating value for shareholders through our relationships, expertise and experience

How we participate



www.awb.com.au

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AWB corporate overview

- Established in 1939 – 70 years of experience in Australian agriculture
- S&P ASX 200 company – listed in 2001
- Market capitalisation of \$441m (at 31 March 2009)
- Share ownership
 - 38% institutional (20% Australian / 18% International)
 - 62% retail
- Investment grade rating from S&P
 - Long term rating of BBB- (negative watch)
- Corporate gearing of 45%* at 31 March 2009
- Well diversified earnings. FY08 results consisted of:
 - 48% Commodities
 - 40% Australian / 8% International
 - 40% Rural Services
 - 12% Landmark Financial Services

* Corporate Gearing = Corporate Net Debt / (Corporate Net Debt + Equity)