



Media Release

Wednesday 21st May 2008

AWB delivers solid half year results

The Chairman of AWB Limited, Brendan Stewart today announced a net profit after tax (NPAT) before significant items of \$48.7 million for the six months to 31st March 2008. This is an increase of \$23.8 million or 96 per cent on the previous corresponding period (pcp).

“This is a solid result that shows the rebuilding of the company is starting to generate better returns,” Mr Stewart said.

“The Board of Directors has decided to be prudent and take a one-off provision of \$26.4 million for a possible liability arising from the litigation brought by the Standard Chartered Bank against AWB (USA) Limited. (AWB (USA) filed an appeal against the judgment in January 2008, and the appeal is pending.)

“Therefore first half reported NPAT, including the one-off provision is \$22.3 million, up \$10.5 million or 89 per cent on pcp.”

Mr Stewart said the Board has declared a fully franked interim dividend of four cents per share and AWB has reached agreement to underwrite the shareholder dividend reinvestment plan *. The dividend will be paid 7th July and the record date is 5th June.

He said the Board has also reconfirmed its current policy to pursue AWB Constitutional reform once wheat export marketing arrangements change and has agreed to call an Extraordinary General Meeting of shareholders to consider appropriate reform resolutions on 21 August 2008.

AWB Managing Director Gordon Davis, said all major business divisions were profitable at the half year and the company will now move into the next phase of its strategy of growing the business.

“The first half performance was particularly pleasing because our Rural Services division, Landmark, generated a strong result and the profits from our traditional Australian Commodities business recovered rapidly despite extensive restructuring,” Mr Davis said.

“The excellent performance of Landmark was largely driven by strong merchandise, chemical and fertiliser sales on the back of improving agricultural activity following recent rains, primarily in the Eastern States.

“Landmark Financial Services also performed well in challenging conditions of increased funding costs and marketplace competition. Management remained focused on maintaining margins, leveraging Landmark’s customer base and managing growth.

“The Australian Commodities division had a very good first half compared to pcp driven by grain origination and sales and chartering and is now well positioned for the new wheat export marketing arrangements.

“The International Commodities result was down on the pcp due to higher operating costs and lower volumes under management and some disappointing trading results.”

Mr Davis said changes to Australia’s wheat export marketing arrangements which are due to be in place in July posed opportunities and challenges.

“AWB continues to meet its obligations for the 2007/08 National Pool sales and marketing program and we continue to target key long standing customers in Asia and the Middle East,” he said.

“AWB is also gearing up to be a competitive player under the new wheat export marketing arrangements which will ultimately provide more choice for Australia’s wheat growers.

“AWB is currently finalising its commercial offer regarding the 2008/09 wheat harvest and key elements of pooling will remain as well as competitive harvest finance loans and payments, regular pool distributions and payment incentives for quality.”

Mr Davis said the strategic priorities for the business are:

- Continuing to mitigate seasonal and cyclical volatility;
- Proactive capital management and allocation; and
- Exploring growth opportunities.

“Australian and international agriculture remains an attractive industry segment and AWB is well positioned to take advantage of agribusiness opportunities,” Mr Davis said.

For full details and a copy of AWB’s 2008 Half Year Results MD&A document visit AWB website, www.awb.com.au

*** Dividend reinvestment plan (DRP)** - The DRP enables B class shareholders to reinvest all or part of their dividend in additional shares.

The Board has decided to fully underwrite the current dividend reinvestment plan to maintain the company’s funding position. The Board has also decided to offer B class shareholders the ability to reinvest their dividend at a 2.5% discount to the DRP pricing period volume weighted average price.

The election notice for participation in the DRP must be received by the AWB share registry no later than 5pm Melbourne time on 5 June 2008 (record date for the 2008 interim dividend).

Media enquiries, contact:

Peter McBride
Media Relations Manager
Tel: (03) 9209 2174
Mob: 0417 662 451

Analyst enquiries, contact:

Davina Gunn
Investor Relations Manager
Tel: (03) 9209 2651
Mob: 0400 896 809