

Full Year Results
ended 30 September 2008



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Progress in 2008

- AWB Limited's (AWB) A and B class shareholders voted in favour of constitutional reform leading to the redemption of A class shares and normalisation of the shareholder structure. The overall governance structure of the company has been improved with a commercial constitution and board structure. Constitutional reform gives the company more flexibility to plan for the future; the interests of our stakeholders are better aligned and we can better move to take advantage of our competitive strengths.
- AWB Harvest Finance Limited and AWB Australia Limited were accredited by Wheat Exports Australia to export bulk Australian wheat under the Wheat Export Marketing Act 2008.
- Progress in the class actions against AWB over the last year is as follows:
 - In March 2008, the Boyd (US Grower Class Action) in the US District Court in New York was dismissed with no appeal
 - In September 2008, the Mastafa and Ismail Claim in the US District Court in New York was dismissed
 - In October 2008, the Karim (Iraqi Residents' Class Action) in the US District Court in New York was dismissed. Subsequently, an appeal against the dismissal has been lodged.
 - In October 2008, the plaintiffs in Watson (Shareholder) class action in the Federal Court of Australia filed an extensively amended Statement of Claim. AWB will be filing a Defence shortly.

Financial Summary

- Revenue increased 47% to \$6,844.7 million (vs. \$4,672.1 in the pcj)
- Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) increased 32% to \$228.5 million (vs. \$173.2 million in the pcj).
- Increased interest charge for the group was driven by higher working capital and increased interest costs.
- Profit Before Tax (PBT) and significant items increased 25% to \$117.3 million (vs. \$94.2 million in the pcj).
- Significant items post tax included a provision for a possible liability arising from litigation brought by the Standard Chartered Bank (\$26.4 million), costs associated with legacy issues (\$9.4 million) and a one-off benefit from the sale of Chicago Mercantile Exchange (CME) shares and a Kansas City Board of Trade (KCBT) membership totalling \$4.6 million.
- Tax expense before significant items and Minority Interest was \$20.8 million (vs. \$35.8 million in the pcj). The lower effective tax rate is due principally to the lower amount and relative make up of income earned overseas by the International Commodities Management business, and also an overprovision for the prior year to the non-taxation of fully franked dividends received from associates .
- Net Profit After Tax (NPAT) and significant items was up 137% to \$64.3 million (vs. \$27.1million in the pcj).
- Earnings per share were 18.5 cents, up 137% (vs. 7.8 cents in the pcj).
- A final dividend of 5 cents per share, fully franked, will be paid on 5 January 2009. The dividend reinvestment plan will be offered at a 2.5% discount. This brings the total dividend for the year to 9 cents.

AWB Group Summary (\$m)	Full Year ended 30 September	
	2007	2008
Revenue	4,672.1	6,844.7
EBITDA	173.2	228.5
Depreciation and amortisation	(42.0)	(37.5)
Earnings before interest and tax (EBIT)	131.2	191.0
Interest	(37.0)	(73.7)
PBT	94.2	117.3
Tax	(35.8)	(20.8)
Minority interest	(0.4)	(1.0)
Significant items after tax	(30.9)	(31.2)
Net profit after tax and significant items (NPAT)	27.1	64.3
Earnings per share (cents)	7.8	18.5
Dividend per share (cents)	8.0	9.0

Significant Items

The following table outlines significant items and reconciliation of reported earnings to underlying earnings:

Calculation of reported earnings (\$m)	Full Year ended 30 September 2008			
	Profit before Tax and Amortisation		NPAT and Minority Interest	
	2007	2008	2007	2008
Earnings before significant items	104.2 a)	126.4	58.0	95.5
Redundancies and restructuring	(21.9)	-	(15.4)	-
Employee share plan loan fair value	(9.6)	-	(8.4)	-
Asset impairment adjustments	(3.6)	-	(2.5)	-
Sale of CME shares and KCBT membership	-	6.6	-	4.6
Provision for Standard Chartered Bank litigation	-	(26.4)	-	(26.4) b)
Costs associated with legacy issues	(6.6)	(13.4)	(4.6)	(9.4)
Total adjustments to underlying profit	(41.7)	(33.2)	(30.9)	(31.2)
Earnings after significant items	62.5	93.2	27.1	64.3

a) The 2007 result included a one-off non-cash gain of \$12.4 million resulting from the settlement of a deferred forward freight agreement following a counterparty default in AWB Geneva.

b) AWB has not recognised a tax benefit arising from this provision because it is not expected that AWB (USA) will have sufficient income against which the cost of the provision could be offset

- For 1H08, there were three significant items:
 - A provision for a possible liability arising from litigation brought by Standard Chartered Bank (\$26.4 million)
 - A total of 11,052 shares in the CME were sold as they were considered non-core. In addition, one of two memberships on the KCBT was sold. AWB continues to hold one membership on KCBT
 - Legal costs associated with the Oil-for-Food inquiry and class actions.
- During 2H08, the only significant item incurred was a further \$4.8 million after tax for costs associated with legacy issues. These refer to all related costs associated with the Oil-for-Food inquiry and class actions.

Operational Summary

- Australian Commodity Management rebounded strongly from a low 2007 result on the back of strong origination and sales of wheat, canola and pulses. In September 2008 AWB Harvest Finance and AWB Australia were accredited to export bulk wheat.
- The International Commodity Management result was mixed with an improving 2H08 offsetting a weak 1H08.
- Landmark Rural Services delivered a record result during 2008, benefiting from increased agricultural activity across the country and improved management focus.
- Landmark Financial Services delivered solid earnings in a year which was less impacted by drought and more by increased funding costs.

AWB Group and Business Streams Review

	Full Year ended 30 September				
\$ million	2004	2005	2006	2007	2008
Revenue					
Landmark Rural Services	1,641.4	1,651.3	1,565.7	1,530.0	1,915.6
Financial Services	1,229.9	692.4	764.1	295.6	418.2
Landmark Financial Services	17.4	17.7	147.6	213.9	242.0
Harvest Finance	1,212.5	674.7	616.5	81.7	176.2
Commodity Management	2,449.0	2,540.4	2,464.5	2,807.5	4,493.9
Australian Commodity Management	1,726.0	1,220.7	978.1	745.5	1,113.8
Pool Management Services	95.2	100.9	92.4	46.3	45.6
Supply Chain and Other Investments	108.8	76.5	88.5	63.6	140.1
International Commodity Management	519.0	1,142.3	1,305.5	1,952.1	3,194.4
Corporate	24.3	107.9	72.3	39.0	17.0
Total Revenue	5,344.6	4,992.0	4,866.6	4,672.1	6,844.7
EBITDA					
Landmark Rural Services	71.9	75.7	53.7	54.7	90.0
Financial Services	44.5	31.8	37.5	32.5	42.1
Landmark Financial Services	24.2	17.0	17.9	27.0	27.6
Harvest Finance	20.3	14.8	19.6	5.5	14.5
Commodity Management	156.6	136.1	100.8	88.4	100.9
Australian Commodity Management	91.8	62.3	22.6	5.6	61.9
Pool Management Services	32.6	36.3	31.4	9.5	19.7
Supply Chain and Other Investments	14.5	6.7	17.0	2.8	(4.7)
International Commodity Management	17.7	30.8	29.8	70.5	24.0
Corporate	(8.6)	11.9	18.0	(2.4)	(4.5)
Total EBITDA	264.4	255.5	210.0	173.2	228.5
EBIT					
Landmark Rural Services	54.4	61.2	44.4	45.7	81.7
Financial Services	44.1	31.3	37.4	31.2	40.8
Landmark Financial Services	23.6	16.5	17.8	25.7	26.3
Harvest Finance	20.5	14.8	19.6	5.5	14.5
Commodity Management	143.7	125.5	90.0	79.0	92.0
Australian Commodity Management	91.8	62.3	22.6	5.6	61.9
Pool Management Services	32.6	36.3	31.4	9.5	19.7
Supply Chain and Other Investments	1.8	(3.8)	6.4	(6.2)	(13.0)
International Commodity Management	17.5	30.7	29.6	70.1	23.4
Corporate	(61.0)	(11.9)	(5.0)	(24.7)	(23.5)
Total EBIT	181.2	206.1	166.8	131.2	191.0

Commodity Management

Commodity Management activities focus on the provision of services and products required to market agricultural commodities from farm gate to first stage processors. These activities range from grain origination from farmers, inland transport, storage and handling from point of origin through to domestic and export facilities, bulk sea freight chartering and containerisation management as well as the provision of production and trade finance services to facilitate these trade flows.

Commodity Management is represented in markets that provide opportunities to apply AWB's farm gate origination capabilities and generate trade flows of agricultural commodities to key customers around the world.

Commodity Management incorporates the following segments:

- Australian Commodity Management, comprising Grain Trading, Chartering and RiskAssist
- Pool Management Services, which accounts for AWB's management of the pooling and marketing of Australian wheat
- Supply Chain and Other Investments, which includes AWB GrainFlow (22 regional storage and handling facilities across Australia's eastern states), a 50% share of Melbourne Port Terminal (MPT) and other offshore investments
- International Commodity Management, comprising AWB Geneva, AWB India and AWB Brazil.

Australian Commodity Management (ACM)

	Full Year ended 30 September (\$m)		
	2007	2008	Change (%)
Revenue	745.5	1,113.8	49
EBITDA	5.6	61.9	1,005
Depreciation and amortisation	-	-	-
EBIT	5.6	61.9	1,005

Business Summary

- ACM EBITDA was \$61.9 million, up from \$5.6 million in the pcp.
- A good result was seen in origination and sales of wheat, barley, canola and pulses as part of our diversification strategy following wheat marketing deregulation. These results arose from both domestic and export sales.
- The container market performed well during the year due to the price competitiveness of liner freight in comparison to bulk freight.
- In line with our planned wind down of our RiskAssist business, the RiskAssist portfolio has been reduced to approximately \$35 million vs. \$120 million in 2007. This portfolio is expected to reduce significantly further by January 2009. No increase in the current provision for bad debts is expected for the business.
- The 2007 EBIT was reduced by a couple of one offs being the raising of a provision in RiskAssist of \$16 million and a loss incurred in the meat and livestock business of \$3.2 million.

Business Strategy

- The strategy for ACM continues to be diversification of the Australian grain portfolio and building on existing customer relations.
- In August 2008, AWB announced an expanded rail freight agreement with El Zorro with the commissioning of 84 new rail wagons to ensure that grain delivered to AWB GrainFlow and other storage facilities on the east coast of Australia can be moved in bulk as efficiently as possible.
- Due to recent significant falls in bulk sea freight prices, growth in container exports is unlikely to continue in 2009, as the liner market (used to transport containers) is currently a less competitive alternative to bulk freight.
- Continued support from our international customer base is expected during the 2008/09 export program for wheat and other grains. In addition, there is expected to be an increasing level of optional origin business developed in conjunction with our overseas business units.

2008/09 Pool Offerings

- AWB Harvest Finance Limited and AWB Australia Limited were accredited as exporters under the bulk wheat export accreditation regime in September 2008.
- Following accreditation, Harvest Finance launched its West Coast and East Coast pools, both of which will have Harvest Finance loan and payment products available to pool participants.
- To ensure the ring-fenced structure of Harvest Finance is maintained, a master trust structure has been created under which a new trust will be created for each season. This will provide payment protection for both pool participants and financiers.
- There was an encouraging take up of in excess of 900,000 tonnes for the \$10 pre-commitment offer that was extended to growers prior to 10 October 2008. This provides a solid base for the 2008/09 pool.
- Management of the 2008/09 pools will be performed by ACM with a management fee of 1.75% of the final gross pool return.
- Harvest Finance will continue to earn an underwriting fee of \$1.90 per tonne as well as an interest margin on finance products offered.
- As with previous years, a suite of Harvest Finance products will be offered in the 2008/09 season (in addition to AWB pool distributions). They are:
 - Harvest Loan
 - Advance Payment Product
 - Deferred Payment Product
- From 1 October 2008, Harvest Finance will be managed and reported within ACM.

Pool Management Services

	Full Year ended 30 September (\$m)		
	2007	2008	Change (%)
Revenue	46.3	45.6	(2)
EBITDA	9.5	19.7	107
Depreciation and amortisation	-	-	-
EBIT	9.5	19.7	107

Business Summary

- The Pool Management Services result incorporates the full year's base fee for 2007/08 under the Services Agreement between AWB Services and AWB International, of \$35.5 million.
- In addition to the 2007/08 base fee, there were two additional payments - the final 10% of the 2006/07 base fee totalling \$3.5 million and all of the 2006/07 Out Performance Index payment of \$6.3 million. A further \$0.3 million of other revenue was received during the year.
- Pool Management Services will be reported as part of ACM from 1 October 2008.

Supply Chain and Other Investments

	Full Year ended 30 September (\$m)		
	2007	2008	Change (%)
Revenue	63.6	140.1	120
EBITDA	2.8	(4.7)	(257)
Depreciation and amortisation	(9.0)	(8.3)	(8)
EBIT	(6.2)	(13.0)	(110)

Business Summary

- The impact of the previous two years of drought was to
 - Decrease the carry-forward volumes in AWB GrainFlow, AWB's storage and handling business
 - Decrease total volumes handled through all supply chain assets.
- Supply Chain and Other Investments suffered a loss at the EBITDA level of \$4.7 million, down from a profit of \$2.8 million in the pcp.
- Opening stock levels at the beginning of the 2008 financial year were substantially smaller than pcp for AWB GrainFlow.
- The better than expected sorghum harvest in northern NSW and Queensland only partially offset lower winter harvest receival volumes.
- MPT suffered significantly lower volumes during 2008 due to the ongoing impact of the two preceding years of drought.

Business Strategy

- AWB is targeting improved receivals of grain into AWB GrainFlow during the 2008/09 harvest. With a reasonable harvest, AWB GrainFlow will be in a strong position to attract wheat, barley, canola, sorghum and pulses across its 22 site network, given the logistical advantages of our sites: locations on major rail lines, fast delivery from road and fast outturns to rail.
- As required under the Wheat Export Marketing Act 2008, MPT will operate under open access requirements for future seasons. This will enable all accredited exporters to contract the services of MPT.
- AWB has now constructed a network from which it can control the movement of significant volumes of grain spanning northern NSW to south eastern Australia. In August 2008, AWB announced an expanded rail freight agreement with El Zorro, commissioning 84 new rail wagons to secure additional capability for this network.

International Commodity Management (ICM)

	Full Year ended 30 September (\$m)		
	2007	2008	Change (%)
Revenue	1,952.1	3,194.4	64
EBITDA	70.5*	24.0	(66)
Depreciation and amortisation	(0.4)	(0.6)	50
EBIT	70.1*	23.4	(67)

* The 2007 result included a one-off non-cash gain of \$12.4 million resulting from the settlement of a deferred forward freight agreement following a counterparty default in AWB Geneva.

Business Summary

- ICM was affected by rising costs and global commodity price volatility. The highlight was an improved performance in 2H08 by AWB Geneva.
- The ICM business units consist of the following activities:
 - AWB Geneva (since 2002) – wheat as well as barley, pulses, canola, soybeans and meal origination and marketing, bulk sea freight chartering and the provision of trade finance facilities. AWB Geneva facilitates the marketing, sales execution and financing of export trade flows to customers in Europe, the Middle East and Asia in collaboration with AWB Brazil, AWB India and AWB Australia
 - AWB Brazil (since 2006) – grain production as well as soybean, corn, oilseed and meal origination, storage, warehousing, marketing and cattle feed lotting
 - AWB India (since 2006) – wheat, corn, sorghum, barley, pulses and vegetable oil, seed and meal origination and warehousing, and sugar and cotton marketing and toll processing.

AWB Geneva

	Full Year ended 30 September (\$m)		
	2007	2008	Change (%)
EBITDA	51.9*	31.9	(39)

* The 2007 result included a one-off non-cash gain of \$12.4 million resulting from the settlement of a deferred forward freight agreement following a counterparty default.

Business Summary

- AWB Geneva's result was driven by good performances across a number of profitable portfolios – oilseeds, grains, trade finance and freight; the result reflects a reduced reliance on the freight activity of past years.
- AWB Geneva's improved result in 2H08 was driven by strong contributions from chartering activity, oilseed and meal sales to European and Asian customers as well as good returns from trade finance associated with these trade flows.

Business Strategy

- AWB Geneva is focusing on increasing the number of customers serviced by the Commodity Management division across Europe, the Middle East and Asia.
- AWB Geneva is overseeing start up operations in the Black Sea region which along with Brazil represents one of the few regions of the world where quality surplus agricultural land exists to support further expansion in grain and oilseed production to meet global demand growth over the next 10 years. Operations are expected to commence in the 2009 financial year.

AWB Brazil

	Full Year ended 30 September (\$m)		
	2007	2008	Change (%)
EBITDA	11.3	(9.8)	(187)

Business Summary

- During 2007, the Brazilian grain sector was adversely impacted by extreme volatility in commodity prices. For AWB, this volatility caused significant cost increases in three key areas: higher working capital and associated interest costs, increased hedging costs and higher inland freight costs.
- During the 2H08 in Brazil, the business was scaled back to allow for a rebalancing of activities in the portfolio to reduce reliance on soybean origination and focus on lower risk, lower capital usage activities.

Business Strategy

- Brazil remains one of the few nations in the world that has the capacity to expand output significantly to support the growing global demand for food. Only 20% of the arable land (outside of the Amazon Basin) in Brazil is currently in cropping production with a further 145-170 million hectares of arable land available for improvement to support grain production.

- The business model in Brazil is being reshaped to reduce market risk exposures and working capital. The portfolio now includes a smaller grain and oilseed origination business, as well as storage and warehousing and a start up cattle feedlotting business.
- During the year, AWB Brazil entered a joint venture (JV) called Nova Agri. The three members of the JV are AWB Brazil, AG Angra, an investment fund with a focus on infrastructure, and Agristock, a warehouse and agricultural logistics management company. AWB Brazil transferred three upcountry warehouses and associated staff into the JV. The JV represents a new model in Brazil, enabling growers to warehouse their product and select marketers rather than being obliged to sell to the owner of the warehouse.
- AWB Brazil has undertaken significant work to improve systems and strengthen operational capability to improve financial and risk management of the business.

AWB India

	Full Year ended 30 September (\$m)		
	2007	2008	Change (%)
EBITDA	7.3	1.9	(74)

Business Summary

- After the start-up phase, AWB India has repositioned its business activities into four core areas of activity:
 - Wheat and coarse grain (barley, sorghum, millet and corn)
 - Vegetable oil seed, meal and oil extracts
 - Other agricultural commodities (sugar and cotton)
 - Regional grain warehousing services and contract tolling arrangements.
- Due to this reconfiguration, modest but encouraging results were achieved driven primarily from wheat and coarse grain marketing activity.
- In 2007, there were significant earnings from the Indian government's wheat import program and this program was not repeated in 2008.
- Additionally, AWB India assisted AWB Australia to build a larger pulse (chickpea and lentil) trade flow for execution in the 2009 financial year and given the deficit status of the Indian pulse market, further growth in this activity is expected.

Business Strategy

- The business strategy focuses on grain, pulse oilseed and meal origination and warehousing.
- AWB India continues to develop strong relationships with farmers and domestic processors to expand domestic grain marketing and associated warehousing infrastructure and toll processing activities.
- Strategic investments have been made in warehousing and storage and handling infrastructure and there are plans to selectively expand this network to meet the significant demand for improved storage infrastructure in India.

Landmark Rural Services

Landmark Rural Services incorporates the Landmark network and investments in Australian Wool Handlers (50%), Hi-Fert (50%) and RD1 (50%).

The Landmark distribution network comprises more than 420 touch points across Australia and New Zealand, providing a diverse range of rural services including crop chemicals, rural merchandise, fertiliser, livestock, wool marketing, agronomy and real estate.

Australian Wool Handlers (AWH) was initially created to provide economies in warehousing and export services for Australia's wool industry. As a specialist in wool logistics, AWH is Australia's only complete end-to-end service provider from farm gate to ship, handling approximately two-thirds of Australia's annual wool clip.

Hi-Fert supplies more than 600 dealers on the east coast of Australia with high analysis, high performance fertiliser. Farmers' specific fertiliser requirements are met through dealers' sales specialists and agronomists. With efficient distribution and storage centres, manufacturing and dispatch facilities, Hi-Fert's supply chain is one of the most advanced in the country.

RD1 is New Zealand's leading retailer of agricultural and animal health products and services to the dairy sector, with a nationwide network of over 50 branches including two large format "lifestyle" stores.

	Full Year ended 30 September (\$m)		
	2007	2008	Change (%)
Revenue	1,530.0	1,915.6	25
EBITDA	54.7	90.0	66
Depreciation and amortisation	(9.0)	(8.3)	3
EBIT	45.7	81.7	79

Business Summary – Record Result

This record result reflects the progress Landmark Rural Services is making with its transformation strategy for the business under new management. During the period, Landmark Rural Services validated its strategic priorities and further developed its future growth agenda.

The business is committed to growing value for clients first, through the delivery of world class solutions locally.

The business also benefited from increased agricultural activity due to increased agricultural commodity prices and more favourable seasonal conditions.

Merchandise gross profit was \$172.1 million up 34%

- Strong performance in the merchandise business benefiting from improved early seasonal conditions, higher commodity prices and improved margin management processes.

Fertiliser gross profit was \$39.5 million up 73%

- The Fertiliser business (excluding Hi-Fert which is equity accounted) was another strong performer with Landmark benefiting from strong early demand due to favourable seasonal conditions and farmers locking in prices at the start of the season.
- This result was primarily driven by price but with some volume lift seen in both WA and SA.

Livestock gross profit was \$61.8 million up 7%

- The Livestock business continued to be impacted by lower volumes of cattle and sheep sold as farmers retained breeding stocks to rebuild herd sizes which had the result of limiting the volume of cattle through sale yards. The higher A\$ during the year impacted export volumes. Cattle volumes were down 1% and sheep volumes were down 4.4%. Lower volumes were more than offset by higher prices (a result of lower supply).

LANDMARK

Wool gross profit was \$11.2 million down 21%

- Bale volumes sold were down 13.6% on the pcp due to the continued reduction in flock numbers as producers turn to cropping.
- Handling and warehousing income was \$17.0 m vs. \$20.0 m for the pcp.

Real estate gross profit was \$22.7 million up 6%

- Rural sales were stronger than pcp, with sales in Victoria and Queensland particularly strong.
- Landmark secured an increasing number of rural iconic properties across the country including the Kidman property in SA and Clyde Agriculture in NSW.

Other investments contribution to net profit was \$18.5 million up 68%

- Landmark Rural Services' share of the Profit After Tax (PAT) for Hi-Fert was \$10.2 million vs. \$2.3 million in the pcp. Global supply constraints and strong demand in the east coast fertiliser market on the back of high commodity prices have led to an improved Hi-Fert contribution.
- RD1 also performed well on the back of strong global world milk prices, with Landmark Rural Services' share of the PAT at \$2.1 million vs. \$0.9 million in the pcp. During the period, the business also continued growth via the establishment of a nutritional JV with CTG Wilmar. The JV was established to take advantage of the rapid growth in the use of supplementary feeding of cows as New Zealand dairy farmers continue to seek productivity improvements.
- Landmark Rural Services' share of AWH's PAT was \$3.2 million vs. \$5.5 million which has been a result of lower storage volumes due to declining wool bales volumes.

Business Strategy

During the year, the business gained significant momentum as the focus turned to the commencement of strategic initiatives designed to deliver an improved operating platform to support the growth agenda over the medium term.

"House in Order" initiatives are being undertaken to improve the operating efficiency of the business and will deliver a sustainable uplift in earnings:

- Business Optimisation is being driven by our merchandise business and is structured around:
 - Improved retail margin management
 - Supply chain optimisation with a key focus on our freight spend
 - Improved category management.
- Customer Driven project is aimed at increasing market penetration via the capture of a greater 'share of wallet' from our customer base via the implementation of a key account management structure
- Safety, Health and Environment is a major focus for the business and an increased investment in resources has been made with a greater focus on compliance to continue to improve our safety record
- Project Landscape is an IT project to introduce a SAP enterprise system, a new Point of Sale system and improved client paper work. An initial investment of \$22 million is expected to be undertaken with total completion by December 2010
- Project Simplicity is a cost reduction program targeting reduction in duplication and waste, reduced revenue leakage and reduce operational expenditure across the portfolio
- Model2Market is a project designed to build a consistent set of channel strategies (from the current seven different ownership models to three). One set of contracts will be managed nationally.

Merchandise and fertiliser

- Going forward, there is likely to be continued volatility in pricing for chemicals and fertiliser. There is some risk of both price and margin erosion due to changes in global supply and demand.

Livestock and wool

- A formal strategic review of the livestock and wool businesses has commenced to improve profitability.

Landmark Financial Services

	Full Year ended 30 September (\$m)		
	2007	2008	Change (%)
Net lending interest income	50.3	48.6	(3)
Other operating income	17.8	20.5	15
Costs	(33.2)	(38.1)	15
Provisions	(7.9)	(3.4)	(57)
EBITDA	27.0	27.6	2
Depreciation and amortisation	(1.3)	(1.3)	-
EBIT	25.7	26.3	2

Business Summary

Landmark Financial Services earnings increased modestly in a challenging environment. Deposit growth, fee income and insurance performed well; however, these were partially offset by increased funding costs. Management particularly focused on maintaining margins, a strong credit portfolio and prudent management of growth.

- EBIT increased 2% to \$26.3 million, driven by:
 - An increase in insurance commission of 17%
 - A reduction in the current year's specific credit provision charge of 57% to \$3.4 million
 Offset by:
 - A reduction in the Net Lending Interest Income of 3% to \$48.6 million
 - An increase in operating costs of 15% to \$38.1 million.
- In early 2008, Landmark Financial Services made the decision to extend the term of the Rural Loan CP Warehouse Trust (CP Trust) funding beyond the 12 month facility. In May 2008, the funding for the CP Trust was refinanced with the two existing funders of the trust – Rabobank and ANZ. The refinance involved an extension of the facility, with staggered maturities from 12 months to 2.5 years.
- Net interest margin on the loan portfolio reduced 19 basis points to 2.02%, predominantly due to an increase in underlying funding costs following the extension of funding in the CP Trust.
- Controlled asset growth of 10% was achieved with loan balances at 30 September 2008 reaching \$2.3 billion. Despite tightening financial market conditions and pockets of continued drought in Australia, the loan portfolio continues to show strong credit quality.
 - Net non-accrual loans reduced to 0.87% of gross loans at 30 September 2008 vs. 1.03% at 30 September 2007
 - The average loan to valuation ratio remained low at 39% at 30 September 2008
 - 94% of the portfolio is secured by rural property and the remainder by livestock, crop or unsecured
 - Rural property prices to date have not suffered any significant falls (following two years of drought in many areas); however, the growth rate of previous years may ease.
- The level of credit provisioning during the financial year was lower in 2008 due to a reduction in the number of new specific provisions required. Landmark Financial Services maintains a strong collective provision for expected but not yet identified losses of 0.88% (0.85% in pcp).
- The Transaction, Savings and Investment accounts balance was \$410 million at 30 September 2008 up from \$376 million at 30 September 2007. The increased level of deposits was a result of higher commodity prices yielding better than budgeted inflows, as well as the introduction of new

investment products. The net margin contribution from the portfolio was 97 basis points, up slightly from 96 basis points in the pcp.

- Insurance commission increased due to a 12% increase in gross written premiums to \$149.0 million, predominantly due to volume bonuses received and higher crop insurance levels in WA and SA.
- Operating costs increased 15% as a result of spending on training, in particular a tailored agribusiness training course, as well as implementation of credit system improvements along with Landmark Financial Services' share in the increased costs associated with the Landmark re-branding and systems costs.

Business Strategy

- Landmark Rural Services provides farm inputs and rural services to over 100,000 clients from more than 400 outlets across the country. Landmark Financial Services has 32,000 insurance clients, 6,800 savings and investment clients and 4,500 lending clients. Landmark Financial Services has a unique opportunity to grow market share by leveraging Landmark Rural Services' existing customer base.
- Landmark Financial Services has a strong understanding of the risks, challenges and rewards associated with agribusiness. Landmark Financial Services offers a comprehensive suite of financial services that reflects the needs of rural producers including: lending solutions, savings and investment accounts, insurance solutions and more recently equipment finance, wealth management and E*TRADE. Landmark Financial Services' financial solutions are designed to enhance the way farmers run their agribusiness including managing every day cash flow, funding long term business growth, assisting with investment goals and insuring their assets.
- Landmark Financial Services loan receivables grew approximately 10% in 2008, broadly in line with systems/market growth. All clients are reviewed periodically, at a minimum annually, to ensure that they continue to be viable and sustainable.
- Landmark Financial Services has managed the increased funding costs by adjusting margins on some loan products as necessary. Rates charged to customers will continue to be monitored and adjusted appropriately.
- Whilst weather conditions improved on average across Australia in 2008, certain areas continue to be affected by drought leading to reduced returns to some rural borrowers. Further, record high input costs have placed some borrowers under further strain. Landmark Financial Services has a comprehensive risk management policy in place including a Financial Services Risk Management Committee that reports into the AWB Group Credit Risk Management Committee.
- In July 2008, Landmark Financial Services expanded their suite of products by acquiring 100% of livestock leasing business Stocklease Pty Limited (Stocklease). Stocklease, a Melbourne-based company, provides Australian livestock farmers with financial solutions to unlock capital that their business has tied up in livestock. To date there have been a number of forums held with a niche customer base which has yielded enthusiastic responses.

Harvest Finance

	Full Year ended 30 September (\$m)		
	2007	2008	Change (%)
Revenue	81.7	176.2	116
EBITDA	5.5	14.5	164
Depreciation and amortisation	-	-	-
EBIT	5.5	14.5	164

Business Summary

- Harvest Finance's average loan book was 6% higher than the prior year at \$461.7 million due to increased tonnage as well as higher commodity prices.
- At 30 September 2008, the loan book balance was 177% higher than the prior year at \$342.4 million as a result of active management of the pool's sales profile to ensure that key customers were well serviced from limited stocks available.
- The increase in EBITDA of 164% to \$14.5 million was due to the finalisation of both the 2005/06 and 2006/07 pools in the one financial year.
- Operating expenses were significantly reduced by 55% vs. pcp to \$3.3 million, reflecting the reduction in scale of the business as it prepared for the deregulation of the export wheat market.
- Harvest Finance has a short term credit rating of A-1 and a long term credit rating of A from Standard & Poor's.

Business Strategy

From 1 October 2008, Harvest Finance will be managed and reported as part of ACM.

Finance Review

Segment Report for the Year Ended 30 September 2008

	2005			2006			2007			2008		
	1H Mar-05	2H Sep-05	FY Sep-05	1H Mar-06	2H Sep-06	FY Sep-06	1H Mar-07	2H Sep-07	FY Sep-07	1H Mar-08	2H Sep-08	FY Sep-08
Revenue (\$ million)												
Landmark Rural Services	706.4	944.9	1,651.3	723.5	842.2	1,565.7	654.5	875.5	1,530.0	828.5	1,087.1	1,915.6
Financial Services	446.9	245.5	692.4	659.6	104.5	764.1	184.4	111.2	295.6	268.6	149.6	418.2
Landmark Financial Services	9.1	8.6	17.7	60.2	87.4	147.6	99.5	114.4	213.9	115.0	127.0	242.0
Harvest Finance	437.8	236.9	674.7	599.4	17.1	616.5	84.9	(3.2)	81.7	153.6	22.6	176.2
Commodity Management	1,380.9	1,159.5	2,540.4	1,208.2	1,256.3	2,464.5	1,516.3	1,291.2	2,807.5	2,069.5	2,424.4	4,493.9
Australian Commodity Management	821.9	398.8	1,220.7	569.6	408.5	978.1	465.4	280.1	745.5	563.2	550.6	1,113.8
Pool Management Services	42.2	58.7	100.9	51.0	41.4	92.4	31.2	15.1	46.3	27.6	18.0	45.6
Supply Chain and Other Investments	46.4	30.1	76.5	48.3	40.2	88.5	38.4	25.2	63.6	62.5	77.6	140.1
International Commodity Management	470.4	671.9	1,142.3	539.3	766.2	1,305.5	981.3	970.8	1,952.1	1,416.2	1,778.2	3,194.4
Corporate	88.4	19.5	107.9	26.9	45.4	72.3	7.8	31.2	39.0	32.7	(15.7)	17.0
TOTAL REVENUE	2,622.6	2,369.4	4,992.0	2,618.2	2,248.4	4,866.6	2,363.0	2,309.1	4,672.1	3,199.3	3,645.4	6,844.7
EBITDA (\$ million)												
Landmark Rural Services	34.2	41.5	75.7	24.5	29.2	53.7	20.7	34.0	54.7	32.3	57.7	90.0
Financial Services	17.6	14.2	31.8	19.3	18.2	37.5	16.2	16.3	32.5	22.9	19.2	42.1
Landmark Financial Services	8.5	8.5	17.0	9.9	8.0	17.9	11.5	15.5	27.0	12.8	14.8	27.6
Harvest Finance	9.1	5.7	14.8	9.4	10.2	19.6	4.7	0.8	5.5	10.1	4.4	14.5
Commodity Management	59.9	76.2	136.1	65.4	35.4	100.8	30.6	57.8	88.4	44.5	56.4	100.9
Australian Commodity Management	32.2	30.1	62.3	18.7	3.9	22.6	2.1	3.5	5.6	25.2	36.7	61.9
Pool Management Services	11.4	24.9	36.3	19.8	11.6	31.4	11.0	(1.5)	9.5	13.8	5.9	19.7
Supply Chain and Other Investments	3.9	2.8	6.7	8.3	8.7	17.0	2.1	0.7	2.8	(1.9)	(2.8)	(4.7)
International Commodity Management	12.4	18.4	30.8	18.6	11.2	29.8	15.4	55.1	70.5	7.4	16.6	24.0
Corporate	8.6	3.3	11.9	6.8	11.2	18.0	4.9	(7.3)	(2.4)	11.0	(15.5)	(4.5)
TOTAL EBITDA	120.3	135.2	255.5	116.0	94.0	210.0	72.4	100.8	173.2	110.7	117.8	228.5
EBIT (\$ million)												
Landmark Rural Services	25.5	35.7	61.2	19.6	24.8	44.4	16.2	29.5	45.7	28.2	53.5	81.7
Financial Services	17.2	14.1	31.3	19.2	18.2	37.4	15.6	15.6	31.2	22.3	18.5	40.8
Landmark Financial Services	8.1	8.4	16.5	9.8	8.0	17.8	10.9	14.8	25.7	12.2	14.1	26.3
Harvest Finance	9.1	5.7	14.8	9.4	10.2	19.6	4.7	0.8	5.5	10.1	4.4	14.5
Commodity Management	54.8	70.7	125.5	60.1	29.9	90.0	26.1	52.9	79.0	39.9	50.2	92.0
Australian Commodity Management	32.2	30.1	62.3	18.7	3.9	22.6	2.1	3.5	5.6	25.2	36.7	61.9
Pool Management Services	11.4	24.9	36.3	19.8	11.6	31.4	11.0	(1.5)	9.5	13.8	5.9	19.7
Supply Chain and Other Investments	(1.1)	(2.7)	(3.8)	3.1	3.3	6.4	(2.3)	(3.9)	(6.2)	(6.1)	(6.9)	(13.0)
International Commodity Management	12.3	18.4	30.7	18.5	11.1	29.6	15.3	54.8	70.1	7.0	16.4	23.4
Corporate	(3.4)	(8.5)	(11.9)	(4.6)	(0.4)	(5.0)	(7.3)	(17.4)	(24.7)	1.4	(24.9)	(23.5)
TOTAL EBIT	94.1	112.0	206.1	94.3	72.5	166.8	50.6	80.6	131.2	91.8	106.4	191.0

Statement of Cash Flows

Full Year ended 30 September (\$ million)	2007	2008
Reported Profit before tax (post significant items)	52.5	84.0
Add: depreciation and amortisation	42.0	37.5
Less: profit on sale of non-current assets	(2.9)	(9.1)
Add: other non-cash items	(54.4)	(12.6)
	37.2	99.8
(Increase) in working capital balances	(125.0)	(395.1)
Income taxes paid (net)	(1.4)	(24.3)
Cash flows used in operating activities	(89.2)	(319.6)
Payments for property plant and equipment (net)	(17.7)	(13.5)
Proceeds from sale of / (purchases of) investments (net)	(3.9)	3.3
Payments for intangible assets (net)	(10.0)	(6.6)
Cash flows used in investing activities	(31.6)	(16.8)
Proceeds from issues of shares	-	13.8
Net increase / (decrease) in interest-bearing liabilities	(44.6)	784.1
Dividends paid	(27.7)	(27.7)
Grower loans	461.5	(146.8)
Grower advanced and deferred payments	329.9	(72.1)
Customer loans	(98.8)	(209.6)
Cash flows from financing activities	620.3	341.7
Net increase in cash held	499.5	5.3

Operating Activities

- Cash flows from operating activities consisted primarily of increases in working capital requirements, especially in Landmark Rural Services and Commodity Management resulted from higher commodity and rural input prices.

Investing Activities

- There were limited cash outflows for investing activities accrued in the year representing a reduction in the level of spending on property, plant and equipment and intangible assets (which include software).
- The sale of CME shares and a KCBT membership formed the basis for the cash inflow from investments.

Financing Activities

- The interim dividend of 4 cents per share was fully underwritten with a dividend reinvestment plan offered at a discount of 2.5%. This generated \$13.8 million of proceeds to the Group.
- Inflows from interest-bearing liabilities were used largely to fund the increases in working capital and loans and advances.

Balance Sheet

\$ million	30 September 2007	31 March 2008	30 September 2008	Landmark Rural Services	Landmark Financial Services	Harvest Finance	Australian Commodity Management	International Commodity Management	Supply Chain and other investments	Corporate and Other / Eliminations
Working capital and other current balances	799.6	1,161.0	1,194.7	332.5	5.9	(1.1)	261.9	616.3	13.4	(34.2)
Investments and Available for Sale assets	125.5	119.3	129.9	103.7	0.1	-	-	-	-	26.1
Intangible assets	550.5	542.0	538.2	307.1	221.0	-	-	0.7	-	9.4
Property, plant, and equipment	158.2	148.4	144.0	33.2	0.2	-	-	6.8	82.6	21.2
<i>Funds employed (excluding finance)</i>	1,633.8	1,970.7	2,006.8	776.5	227.2	(1.1)	261.9	623.8	96.0	22.5
Landmark loans (incl Rural Trust)	2,124.6	2,106.1	2,333.4	14.4	2,308.6	-	-	-	-	10.4
Grower loan receivables	129.1	530.9	275.8	-	-	275.6	0.2	-	-	-
Advanced and deferred payment products	(5.5)	149.7	66.6	-	-	66.6	-	-	-	-
<i>Total loans and grower receivables</i>	2,248.2	2,786.7	2,675.8	14.4	2,308.6	342.2	0.2	-	-	10.4
Other assets and liabilities	52.9	50.9	94.7	22.5	7.8	0.1	27.2	21.8	10.6	4.7
Total funds employed	3,934.9	4,808.3	4,777.3	813.4	2,543.6	341.2	289.3	645.6	106.6	37.6
Unsecured deposit notes	(377.7)	(440.7)	(410.4)	(0.1)	(410.3)	-	-	-	-	-
Deposits - AWB National Pools	(461.2)	(722.3)	(675.9)	-	-	(366.9)	-	-	-	(309.0)
Net interest-bearing debt	(1,984.0)	(2,545.6)	(2,515.3)	(227.4)	(2,183.5)	-	(99.2)	(407.6)	2.8	399.6
Net intercompany balances	-	-	-	(71.6)	281.9	28.7	(164.2)	(74.1)	(188.9)	188.2
<i>Total debt (net of cash)</i>	(2,822.9)	(3,708.6)	(3,601.6)	(299.1)	(2,311.9)	(338.2)	(263.4)	(481.7)	(186.1)	278.7
<i>Shareholders' equity</i>	(1,112.0)	(1,099.6)	(1,175.7)	(514.3)	(231.7)	(3.0)	(25.9)	(163.9)	79.5	(316.4)
Total sources of funds	(3,934.9)	(4,808.3)	(4,777.3)	(813.4)	(2,543.6)	(341.2)	(289.3)	(645.6)	(106.6)	(37.6)

Balance Sheet Summary

Note: movements described below are from 30 September 2007 to 30 September 2008.

Working capital increased by \$395.1 million or 49% from 30 September 2007

- The working capital position of the Group has increased since 30 September 2007 broadly as a result of improved weather conditions and higher commodity prices combining to drive increased agricultural activity. Higher agricultural input costs also contributed to increased working capital.
- The Landmark Rural Services working capital position has increased \$104.7 million as debtors and inventory values increased on the back of rising costs of inputs and higher commodity prices leading to increased planting.
- ACM's working capital position reduced in 2H08 and remains stable compared to the pcp, however, ICM's increased largely as a result of higher commodity prices.

Investments increased marginally by \$4.4 million

- Investments increased marginally by \$4.4 million as a result of the increase in Landmark Rural Services' equity accounted investments of \$9.8 million offset by decreases from the sale of a portion of CME shares, the sale of membership of the KCBT, and the revaluation of AWB's remaining shareholding in CME and trade memberships.

Loan and grower receivables increased by \$427.6 million or 19% due to:

- An increase of 10% in the Landmark Financial Services loan book of \$211.3 million
- An increase of 177% in the Harvest Finance loan book of \$218.8 million as a result of increased tonnage, higher commodity prices and active management of the sales profile of the 2007/08 pool to ensure that key customers were well serviced.

Total debt (net of cash) increased by \$778.7 million or 28% supporting a variety of business activities

- Increase in total debt (net of cash) mainly increased as a result of increased working capital requirements of Landmark Rural Services and the Commodity Management Business, as well as the growth in the Landmark Financial Services and Harvest Finance loan books.

Overheads/Other Expenses

September 2007	\$ million
Overheads/other expenses (excluding significant items)	385.3
Significant expense items	37.7
Total overheads /other expenses (including significant items)	423.0
Movement in overheads/other expenses from September 2007	
Salaries and personnel	23.9
Communication and IT	3.9
Legal	3.1
Consulting	2.7
Advertising and promotion	4.5
Other (including depreciation and amortisation)	1.7
Costs incurred in offshore businesses	6.7
Net increase in overheads/other expenses	46.5
September 2008	
Overheads/other expenses (excluding significant items)	431.8
Significant expense items	39.9
Total overheads/other expenses (including significant items)	471.7

- Overheads/ other expenses (excluding significant items) for the 2008 full year of \$431.8 million were 12% above the pcp. This was mainly due to:
 - Increase in salaries and personnel due to short term incentive payments, particularly in Landmark Rural Services
 - Increased legal expenses due to the additional legal requirements of the successful constitutional reform campaign
 - Rebranding of Landmark leading to increased advertising and promotion costs
 - Increases in costs incurred by offshore businesses as a result of increased resourcing, particularly increased staff to support finance, operations and risk management functions.

Borrowing and Interest

- Net Finance Income: Other persons/ corporations reduced significantly from 2007 reflecting higher working capital requirements in the commodities businesses and Landmark, as well as higher costs of funding.
- Net Finance Costs: Related party (AWB National Pools) increased from 2007 due largely to higher costs of funding and increased pool deposit volumes.

Finance Income and Costs (\$m)	Year ended 30 September	
	2007	2008
<u>Statutory accounts</u>		
Finance income /(costs)		
<u>Other persons/corporations</u>		
Finance income	253.7	299.4
Finance costs	(189.2)	(254.5)
Other finance costs	(20.8)	(18.2)
Net finance income - other persons /corporations	43.7	26.7
<u>Related party (AWB National Pools)</u>		
Finance income	8.8	3.8
Finance costs	(28.7)	(31.6)
Net finance income - related party (AWB National Pools)	(19.9)	(27.8)
Net finance income /(costs) per statutory accounts	23.8	(1.1)
<u>Segment reporting – reconciliation to statutory disclosure</u>		
Finance income amounts included in EBIT for segment reporting purposes	60.8	72.6
Corporate interest expense	(37.0)	(73.7)
Net finance income /(costs) per segment reporting	23.8	(1.1)

AWB holds material amounts in short term deposits from time to time and accordingly interest expense should be considered in conjunction with interest revenue. Also, certain amounts that are characterised as interest in the statement of financial performance are included in EBIT for the purpose of discussing business unit performance. These amounts include the net interest margin earned on financial services products and other interest revenue amounts that are not related to funding.

Refinancing since 31 March 2008

	Refinance Date	Currency	Facility Limit	Facility Maturity
CP Trust	May-08	AUD	\$2,344,800,000	Various
<i>1 Yr Tranche</i>			<i>\$1,172,400,000</i>	<i>May-09</i>
<i>1.5 Yr Tranche</i>			<i>\$469,000,000</i>	<i>Nov-09</i>
<i>2 Yr Tranche</i>			<i>\$469,000,000</i>	<i>May-10</i>
<i>2.5 Yr Tranche</i>			<i>\$234,400,000</i>	<i>Nov-10</i>
Syndicated bank facility – 1 Yr Tranche	Oct-08	AUD	\$280,000,000	Oct-09
Rural Trade Receivables Trust	Oct-08	AUD	\$280,000,000	Apr-09

Group Financing Activities

- 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 short term facilities
- AWB has a variety of financing activities including seasonal financing, inventory financing, working capital financing and funding financial services assets
- AWB's strategy is to diversify funding sources to minimise costs and broaden funding and liquidity options
- In light of the diverse businesses mix in the Group, AWB borrows for specific purposes to minimise its cost and maximise effectiveness.

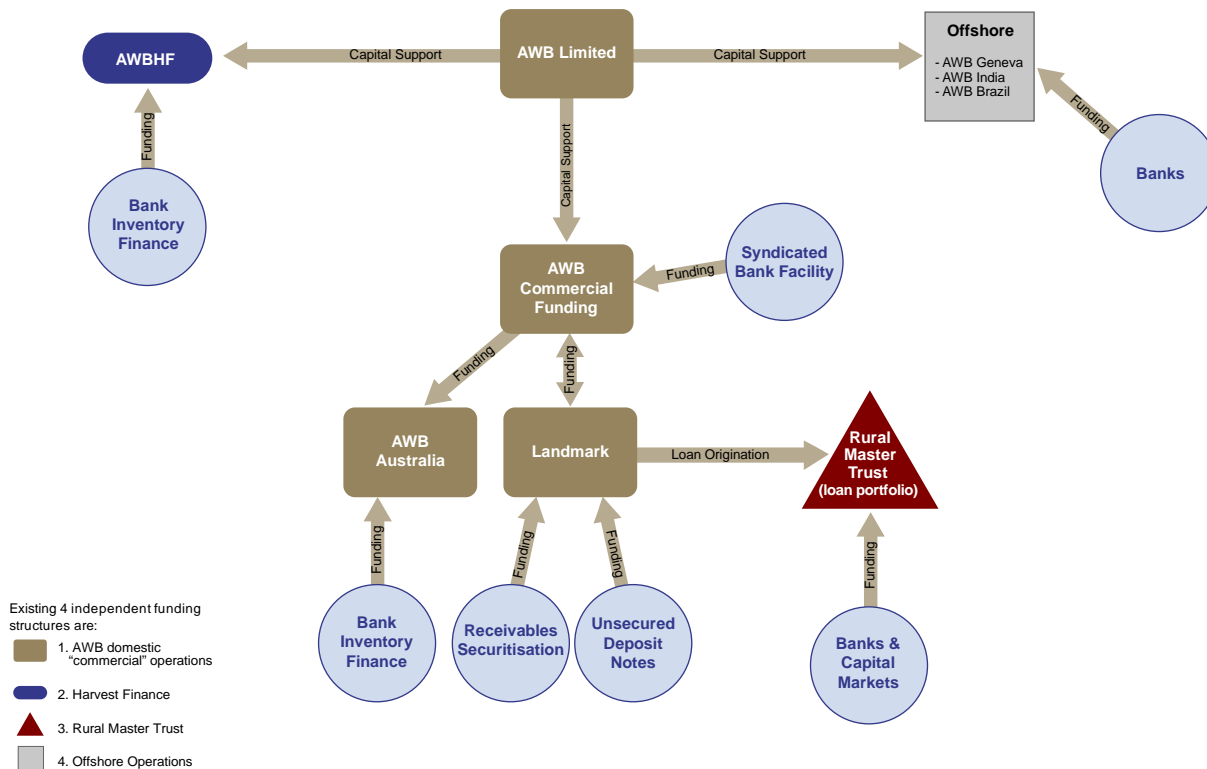
Capital Structure

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

The AWB Group has four major funding structures*:

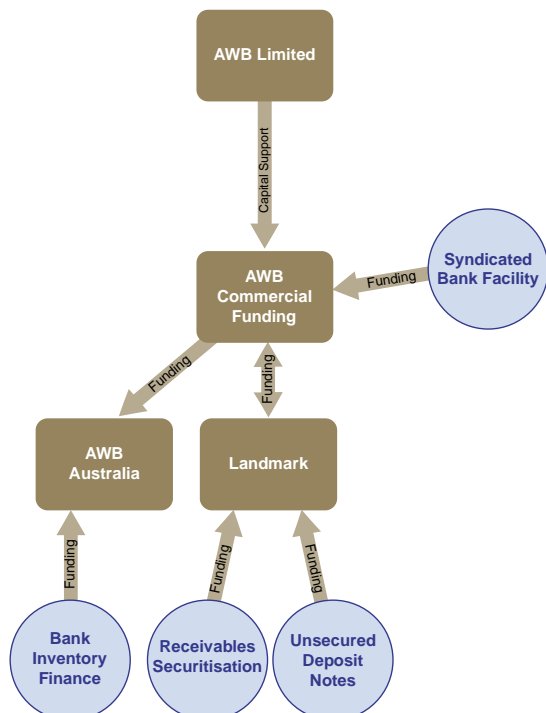
1. AWB Commercial Funding
2. AWB Harvest Finance (AWBHF)
3. Rural Master Trust
4. Offshore



* Reflects funding structure not legal ownership.

1. AWB Commercial Funding

Funding for domestic operations and general corporate purposes excluding financial services



Syndicated Bank Facility

AWB Commercial Funding (AWBCF) has a traditional general purpose syndicated corporate bank facility. In October 2007, this facility was reduced from \$750 million to \$400 million. At that time, AWB reduced the size of the facility and established a new \$280 million receivables securitisation facility and a new \$160 million inventory financing facility at a lower cost to the Group overall. In October 2008, the \$280 million tranche of the syndicated bank facility due to mature was refinanced, without a significant change in pricing. As a result, both tranches of debt under the syndicated bank facility will mature in October 2009.

Part of this facility is used to fund working capital requirements of AWB's domestic operations. Also as at 30 September 2008, a total of \$270 million was used for liquidity support for the unsecured deposit notes (for those deposits that have less than 90 days to maturity). Unsecured deposit notes raised under prospectus by Landmark totalled \$410 million as at 30 September 2008 (refer below for further details).

Inventory Financing

Inventory financing is a financing mechanism by which grain is sold at a discounted price and then grain is repurchased at a future date. These funds are used to finance part of the grain positions held by ACM. AWB has access to net inventory finance lines of \$160 million which mature in December 2008. AWB is currently in discussions with a panel of financiers to implement new inventory financing facilities once the current facilities expire.

Receivables Securitisation

This is a 12 month renewable facility with a limit of \$280 million which has been created under the Rural Trade Receivables Trust. Landmark Rural Services' receivables are sold to a trust at a discounted price. These funds are then utilised for domestic working capital requirements. This facility was recently extended to April 2009.

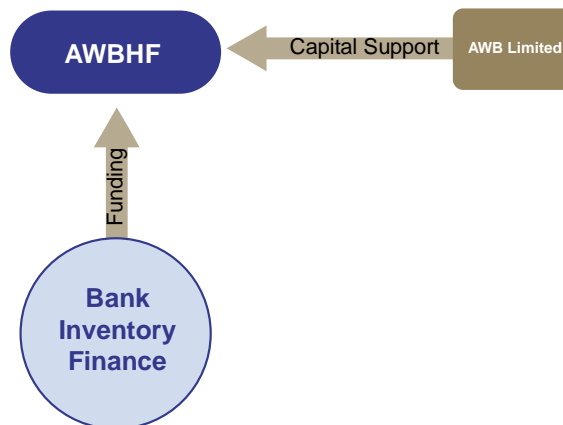
Unsecured Deposit Notes

Landmark Operations Limited offers rural and other investors' unsecured deposit notes either at call or for fixed terms. AWB Limited guarantees repayment of monies owing by Landmark in respect of these deposits. The money received by Landmark Operations Limited from the issue of deposits is used to fund Landmark Rural Services' working capital requirements, with surplus funds on-lent to AWBCF. These unsecured deposit notes were rated by Standard & Poor's in February 2008 and achieved a short term rating of A3 and a long term rating of BBB-.

Investment and transaction account balances totalled \$410 million on 30 September 2008 (up 9% from 30 September 2007). The maturity profile of these deposits is detailed below.

Landmark Operations Limited – Unsecured Deposit Notes Transaction, Savings and Investment Accounts	
Maturity Profile	30 September 2008 (\$m)
At Call accounts (Savings and Transaction Accounts)	114.1
Term Investment accounts (<90 days to maturity)	155.9
Term Investment accounts (>90 days to maturity)	140.0
	410.0

2. AWB Harvest Finance (AWBHF)



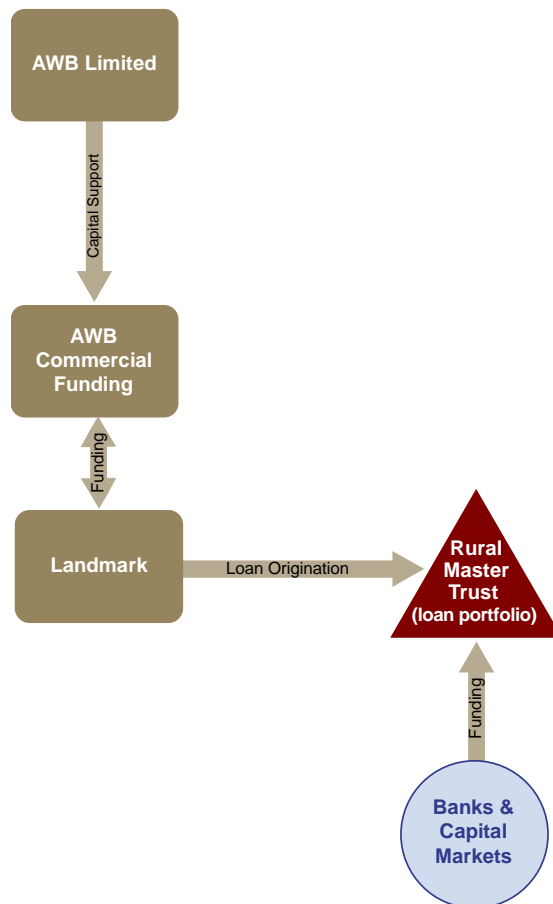
AWBHF has traditionally been the vehicle used to fund the pooling activities, including any payment products offered as part of the National Pool. In the newly deregulated wheat market, AWBHF will now provide funding to the pools created under a new master trust structure.

Due to limited crop sizes over recent seasons, the borrowing activities for AWBHF have fallen significantly. Further, due to the restricted state of capital markets, AWBHF has moved away from its commercial paper and medium term note programs.

As a result, AWBHF has established inventory financing facilities to fund the pools. Inventory financing ensures access to liquidity at competitive margins during this period of capital market disruption. To support the establishment of these facilities, AWB Limited will continue to contribute equity of \$100 million to AWBHF.

In November 2008, AWBHF executed two inventory financing facilities which had total limits of \$405 million. Three additional facilities are in various stages of documentation which will increase the total limits to \$750 million. The maturities of these facilities will vary between September 2009 and December 2009.

3. Rural Master Trust



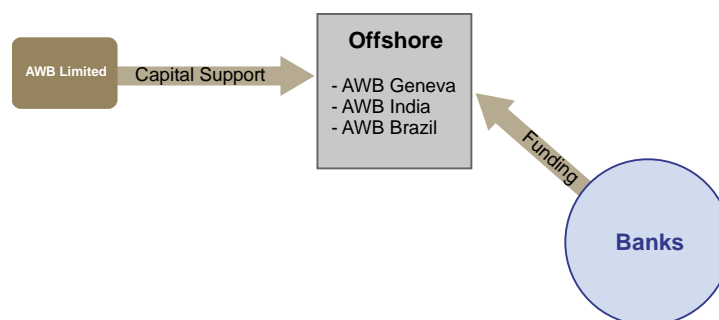
The Landmark Financial Services loan book is funded by two trusts that have been created under the rural master trust structure: the CP Trust and the Rural Warehouse Trust No 1 (RWT).

The current funding structure for the CP Trust is in the form of commercial paper backed by liquidity and letter of credit facilities provided by two highly rated global banks. These facilities provide a combined facility limit of \$2.3 billion and in May 2008 these facilities were extended to maturity dates ranging from May 2009 to November 2010.

The RWT facility has a bank funded limit of \$250 million. This facility is a 12 month program which matures in December 2008 and is currently in the process of being extended.

4. Offshore

The working capital requirements of AWB Geneva, AWB Brazil and AWB India are primarily funded via dedicated facilities offshore which are supported by equity and limited credit enhancement provided by AWB Limited. These are transactional facilities and typically secured by underlying commodities. The sum of equity and formal credit enhancement provided by AWB Limited to offshore entities as at 30 September 2008 totalled \$225 million.



AWB Group Facilities

A summary of committed debt and other funding facilities available to the Group by business segment is detailed below. This summary includes facilities that have been created or renegotiated post year end.

Landmark Financial Services

Committed Credit Facilities	Currency	Facility Limit	Facility Maturity	Utilisation
CP Trust	AUD	\$2,344,800,000	Various	\$1,979,479,903
1 Yr Tranche		\$1,172,400,000	May-09	
1.5 Yr Tranche		\$469,000,000	Nov-09	
2 Yr Tranche		\$469,000,000	May-10	
2.5 Yr Tranche		\$234,400,000	Nov-10	
RWT	AUD	\$250,000,000	Dec-08	\$218,931,211
Stocklease Facility	AUD			\$9,412,069

Other Funding Platforms	Currency	Facility Maturity	Utilisation
Landmark – unsecured deposit notes	AUD	At call and various terms	\$410,411,099

Rural Services/ACM

Committed Credit Facilities	Currency	Facility Limit	Facility Maturity	Utilisation
AWBCF – syndicated bank facility	AUD	\$400,000,000	Oct-09	\$35,043,805
AWB Australia – committed inventory financing facility	AUD	\$100,000,000	Dec-08	\$99,201,642
Rural Trade Receivables Trust – committed securitisation program	AUD	\$280,000,000	Apr-09	\$255,000,000

Uncommitted Credit Facilities	Currency	Facility Limit	Facility Maturity	Utilisation
AWB Australia – uncommitted inventory financing facility	AUD	\$60,000,000	Dec-08	-

Harvest Finance

Uncommitted Credit Facilities	Currency	Facility Limits	Facility Maturity	Utilisation
AWB Harvest Finance – uncommitted inventory financing facility	AUD	\$405,000,00 Increasing to \$750,000,000	Sep-09 to Dec-09	-

Uncommitted Credit Facilities	Currency	Facility Limits	Facility Maturity	Utilisation
AWB Harvest Finance – euro commercial paper	USD	\$1,500,000,000	N/A	-
AWB Harvest Finance – domestic commercial paper	AUD	\$2,000,000,000	N/A	-
AWB Harvest Finance – medium term notes	AUD	\$500,000,000	N/A	-

Other Funding Platforms	Currency	Facility Maturity	Utilisation
Related Party Loans - AWB National Pools	AUD	At Call	\$675,898,000

International Commodity Management

Uncommitted / Committed Credit Facilities	Currency	Facility Limits	Facility Review	Utilisation
Offshore credit and inventory financing facilities	AUD equivalent	\$723,202,000	Annual	\$463,317,000

Group Wide

Other Funding Platforms	Currency	Utilisation
Accrued Interest and Other	AUD	\$6,619,000
Grand Total		\$4,153,314,000

Credit Ratings

AWB maintains a dual credit rating structure whereby AWBHF and AWB Limited are separately rated by Standard & Poor's.

On 12 September 2008, Standard & Poor's reaffirmed the investment grade ratings of AWBHF and AWB Limited. AWBHF has a short term rating of A-1 and a long term rating of A (Negative Outlook). The A-1 rating reflects the structural protection and credit enhancements provided by the ring fenced corporate structure. AWBHF's long term rating has a negative outlook due to the uncertainty surrounding the deregulation of the export wheat industry. AWB Limited had its BBB- (Negative Outlook) long term corporate credit rating reaffirmed.

Following the official closure of the US commercial paper program in May 2008, AWBHF requested that Moody's remove their short term rating on 5 September 2008.

In February 2008, the Landmark Operations Limited unsecured deposit notes were rated by Standard & Poor's and achieved a short term rating of A3 and a long term rating of BBB-.

Current AWB Credit Ratings	
AWB Harvest Finance Limited	
Standard & Poor's	A-1 (short term) A (long term)
Long term outlook	Negative
AWB Limited	
Standard & Poor's	BBB-
Outlook	Negative
Landmark Unsecured Deposit Notes	
Standard & Poor's	A3 (short term) BBB- (long term)

Legal Issues

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 connection 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 either AWB Limited or any of its subsidiaries 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 these accounts.

Class Actions

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

Boyd (US Grower Class Action)

This class action Complaint against AWB Limited and AWB (USA) Limited was filed on 10 July 2007, also in the U.S. District Court for the Southern District of New York, on behalf of a number of US farmers including Mr Boyd.

The Complaint alleged that AWB engaged in conduct in relation to the OFF Programme which had the effect of achieving and maintaining a monopoly on wheat sold to Iraq, thereby foreclosing that market to US-grown wheat, contrary to the RICO Act and several US anti-trust statutes. On 25 February 2008 AWB's Motion to Dismiss the Complaint was granted by the Court. No appeal was filed against the dismissal and the Complaint stands dismissed.

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 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.

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 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 the 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 BNP Paribas, CSC and AWB engaged in an illegal conspiracy. The Complaint 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. No timetable for the appeal has yet been fixed by the Court of Appeals.

Iraq Government civil lawsuit

On the 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 program, 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 Program escrow account. Damages alleged are US\$10.4bn, and treble damages are claimed under RICO. The claim has yet to be served on AWB. The Plaintiff has been granted an extension until 22 February 2009 to serve the claim on the 93 defendants.

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 sought 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 OFF Programme, and also sought 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 will shortly file 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, those funding the class action have estimated the maximum potential damages for all plaintiffs in the class as approximately \$25 million.

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 judgment against AWB (USA) Ltd, and on 16 January 2008, judgment was entered against AWB (USA) Ltd in the amount of approximately USD24.2m. 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. AWB has secured the judgment debt to the satisfaction of Standard Chartered Bank plc, resulting in a stay of execution of the judgment. The decision of the Court of Appeals is awaited. AWB Limited has chosen to provision against this liability, even though it is of the view that AWB (USA) has a strong position, and AWB (USA) will continue to pursue its appeal avenues.

About AWB

AWB Limited is Australia's leading agribusiness and employs more than 2,300 people across more than 500 points of presence ranging from Australia, India, Brazil, Switzerland and Singapore to the People's Republic of China and Japan. Seventy-six percent of our employee population works in rural and remote communities.

Our client base extends to 110,000 customers, serviced by our three core business streams: Landmark Rural Services, Financial Services and Commodity Management.

The geographic diversity of the Group's activities now sees 40% of earnings generated from outside of Australia, reflecting AWB's successful growth and diversification strategy.

Landmark Rural Services

Landmark Rural Services incorporates the Landmark network of rural supplies stores throughout Australia and the company's strategic investments in Australian Wool Handlers (50%), Hi-Fert (50%) and RD1 (50%).

The Landmark distribution network comprises more than 400 outlets, providing a diverse range of rural products and services including rural merchandise, livestock, wool marketing, agronomy, real estate and fertiliser. We are Australia's largest distributor of merchandise and fertiliser. Landmark Rural Services has been part of rural Australia for over 150 years.

Our expertise, enduring partnerships with customers, commitment to and from our people, and involvement in local communities, will enable us to continue to deliver products, services and value to customers and shareholders into the future.

Our strategic investments add further value to the core Landmark Rural Services business:

- Australian Wool Handlers is a specialist in wool logistics and is Australia's only complete end-to-end service provider from farm gate to ship, handling approximately two-thirds of Australia's annual wool clip
- Hi-Fert supplies more than 600 dealers on the east coast of Australia with high analysis, high performance fertiliser. With efficient distribution and storage centres, manufacturing and despatch facilities, Hi Fert's supply chain is one of the most advanced in the country
- RD1 is New Zealand's largest retailer of agricultural products and services to the dairy sector with a nationwide network of over 50 branches.

Financial Services

Financial Services incorporates:

- Landmark Financial Services comprises a wide range of financial, insurance and wealth advisory services to our Landmark customer base. As a specialist provider to the rural sector, our tailored products include a suite of loans for property, machinery and stock and a full range of transaction and investment services. Our sole focus on the "agri" sector has led to innovative offerings such as stock leasing and strong third party distribution relationships.
- Harvest Finance, a wholly owned subsidiary of AWB Limited provides finance (by way of loans and payments) to growers who deliver wheat to pools run by AWB.

The Financial Services business is focused on providing financial solutions to viable and sustainable enterprises across rural and regional Australia. New and improved finance tools are progressively being developed to complement existing products and services and include seasonal and term loans, transactional accounts, VISA debit, interest bearing deposits, insurance, and wealth management solutions.

Commodities

Commodity Management incorporates the following segments:

- Australian Commodity Management, comprising Grain Trading, Chartering and RiskAssist.
- International Commodity Management, comprising AWB Geneva, AWB India and AWB Brazil.
- Pool Management Services, which accounts for AWB's management of pools and international marketing of Australian wheat
- Supply Chain and Other Investments, which includes AWB GrainFlow (22 regional storage and handling facilities across Australia's Eastern states), a 50% share of MPT and other offshore investments

Commodity Management's geographic diversity enables the business to operate in global commodity markets from offices in Geneva (AWB Geneva), Delhi (AWB India), Sao Paulo (AWB Brazil) and Melbourne (AWB Australia). The primary revenue streams for the business include commodity trading, logistics and chartering and risk management.