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Media Release

23 September 2009

AWB launches fully underwritten Entitlement Offer and Institutional Placement to raise \$459 million, and refinances domestic corporate debt facilities

Key points

- Undertaking \$459 million fully underwritten equity raising, which will transform the balance sheet
- Successful refinancing of \$575 million of domestic corporate debt facilities including syndicated debt, receivables securitisation and inventory financing
- Pro forma net corporate debt following equity raising estimated to be \$490 million as at 30 September 2009, a reduction of \$646 million from 30 September 2008
- Update on 2009 guidance, including various corporate initiatives and a \$120m non-cash impairment against Landmark Financial Services

AWB Limited ("AWB") today announced the launch of a fully underwritten 1 for 1 accelerated non-renounceable pro-rata entitlement offer ("Entitlement Offer"), and an underwritten institutional placement ("Institutional Placement", together the "Offer") to raise \$459 million.

AWB also announced that it has reached agreement with its core banks to refinance its domestic corporate debt facilities, which were due to mature in October 2009. In aggregate these new facilities total \$575 million.

AWB's pro forma net corporate debt (domestic and offshore) following the equity raising is estimated to be \$490 million as at 30 September 2009.

AWB's Managing Director Gordon Davis said, "The capital raising is being undertaken to strengthen AWB's balance sheet and to provide financial flexibility through the subsequent reduction in net debt."

The Offer and debt refinancing also supports AWB's intention of maintaining an investment grade credit rating.

AWB has also today provided the market with updated 2009 guidance, including details of various corporate initiatives related to Commodities Management and Landmark Financial

Services. AWB will also recognise a \$120 million non-cash impairment against Landmark Financial Services goodwill in the 2008/09 financial year.

“AWB has a number of exciting opportunities in front of it”, Mr Davis said. “Today’s announcement will fundamentally reposition the Company’s balance sheet for this journey. AWB’s directors and management fully support the refinancing, and recommend it to all shareholders.”

Details of the Offer

The Offer will be at a fixed price of \$1.00 per share and will comprise the following components.

- \$359 million 1 for 1 Entitlement Offer:
 - approximately \$115 million via the institutional component of the Entitlement Offer (“Institutional Entitlement Offer”); and
 - approximately \$244 million via the retail component of the Entitlement Offer (“Retail Entitlement Offer”), and
- \$100 million Institutional Placement

The offer price of \$1.00 per New Share represents a 30.8% discount to the closing price of AWB shares on 22 September and an 18.2% discount to the theoretical ex-rights price (“TERP”). New shares issued will rank equally with existing AWB shares. Based on the Company’s stated dividend policy of 40-65% of net profit after tax post significant items, AWB will not be declaring a final dividend for the 2008/09 financial year.

Eligible Shareholders will be entitled to subscribe for 1 new AWB ordinary share (“New Shares”) for every 1 existing AWB ordinary share (“Shares”) held at 7:00pm AEST on Monday, 28 September (“Record Date”) ¹. Existing retail shareholders will have the opportunity to apply for additional shares above their entitlement as part of the Retail Entitlement Offer, while existing institutional shareholders are also able to participate for more than their entitlement by bidding for shares not being taken up by ineligible shareholders and shareholders not wishing to participate in the Entitlement Offer.

Key dates

Institutional Entitlement Offer and Institutional Placement	23 – 24 September 2009
Record Date to determine right to participate in the Entitlement Offer	7.00pm (AEST) 28 September 2009
Retail Entitlement Offer opens	2 October 2009
Settlement of Institutional Entitlement Offer and Institutional Placement	7 October 2009
Allotment and trading of New Shares issued under Institutional Entitlement Offer and Institutional Placement	8 October 2009
Retail Entitlement Offer closes (Closing Date)	5.00pm (AEDT) 21 October 2009

The above timetable is indicative only. References to time and date are references to Australian Eastern Standard Time (AEST) or Australian Eastern Daylight Time (AEDT), where indicated. AWB reserves the right to amend any or all of these events, dates and times subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, AWB reserves the right to extend the closing dates for the offers, to accept late applications either generally or, in particular cases, to withdraw the offers without prior notice. The commencement of quotation of the New Shares is subject to confirmation from ASX.

¹ For the purposes of determining entitlements under the Entitlement Offer, AWB will disregard transactions in Shares occurring after implementation of the trading halt in AWB shares on 23 September 2009, except for settlement of on-market transactions that occurred prior to the implementation of the trading halt.

AWB expects to announce the outcome of the Institutional Entitlement Offer and Institutional Placement to the market prior to commencement of trading on Friday, 25 September, with trading in AWB shares expected to resume at start of trading on that day.

Further details of the Offer are included in Annexure A to this announcement.

For further information, please refer to the investor presentation accompanying this announcement.

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Neither this announcement nor any other documents relating to the Offer may be sent or distributed to persons in the United States or to U.S. Persons or to any persons acting for the account or benefit of U.S. Persons.

The Offer does not constitute an offer, and New Shares will not be issued or sold under the Offer, in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer, issue or sale. No action has been taken to register or qualify the Shares or the New Shares or to otherwise permit a public offering of Shares or New Shares outside Australia. The New Shares may be offered, issued or sold in any other jurisdiction under the Offer where such offer, issue or sale is permitted under applicable law.

This announcement contains certain forward-looking statements with respect to the financial condition, results of operations and business of AWB and certain plans and objectives of the management of AWB. Forward-looking statements can generally be identified by the use of words such as 'project', 'foresee', 'plan', 'expect', 'aim', 'intend', 'anticipate', 'believe', 'estimate', 'may', 'should', 'will' or similar expressions. All such forward looking statements involve known and unknown risks, significant uncertainties, assumptions, contingencies and other factors, many of which are outside the control of AWB, which may cause the actual results or performance of AWB to be materially different from any future results or performance expressed or implied by such forward looking statements. Such forward-looking statements speak only as of the date of this announcement. Factors that could cause actual results or performance to differ materially include without limitation the following: risks and uncertainties associated with the Australian and global economic environment and capital market conditions, fluctuations in foreign currency exchange and interest rates, competition, AWB's relationships with, and the financial condition of, its suppliers and customers, or legislative changes, or regulatory changes or other changes in the laws which affect AWB's business. The foregoing list of important factors is not exhaustive. There can be no assurance that actual outcomes will not differ materially from these statements.

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ANNEXURE A – OFFER DETAILS

There are two elements to the Offer - the Institutional Placement and the Entitlement Offer. The Entitlement Offer is structured as an accelerated pro-rata non-renounceable entitlement offer consisting of an Institutional Entitlement Offer and a Retail Entitlement Offer. The Institutional Placement will be undertaken concurrently with the Institutional Entitlement Offer. Entitlements cannot be traded on the ASX or otherwise transferred.

The Entitlement Offer is non-renounceable. This means that AWB shareholders who do not take up their entitlement to participate in the offer will not receive any value for those entitlements, and their equity interest in AWB will be diluted. Retail shareholders who participate in the Retail Entitlement Offer in respect of some or all of their Entitlement will (as a result of the Institutional Placement) have their equity interest in AWB diluted. Retail investors may also apply for additional shares which may reduce or negate the dilutory effect

Institutional Placement

Eligible institutional investors will be invited to participate in the Institutional Placement. The Institutional Placement will raise total proceeds of \$100 million through the issue of 100 million new shares at an offer price of \$1.00 a share.

Institutional Entitlement Offer

Eligible Institutional Shareholders will be invited to participate in the Institutional Entitlement Offer. Eligible Institutional Shareholders can choose to take up or not take up all or part of their Entitlements. Elections in regard to Entitlements need to be advised prior to 12.00pm on Thursday, 24 September 2009. New shares equal in number to those not taken up by Eligible Institutional Shareholders and those which would otherwise have been offered to ineligible institutional shareholders will be offered to eligible institutional investors including to those institutional shareholders who have fully exercised their entitlements.

Retail Entitlement Offer

Eligible Retail Shareholders will be invited to participate in the Retail Entitlement Offer on the same terms as the Institutional Entitlement Offer. The Retail Entitlement Offer will open on Friday, 2 October 2009 and close at 5.00pm AEDT on Wednesday, 21 October 2009. New Shares equal in number to those not taken up by Eligible Retail Shareholders will also be offered to Eligible Retail Shareholders for subscription.

ELIGIBLE RETAIL SHAREHOLDERS

Eligible Retail Shareholders are those holders of Shares who:

- are registered as a holder of Shares as at 7.00pm AEST on Monday, 28 September 2009 (the "Record Date");
- have an address on AWB's register of members in Australia or New Zealand;
- are not in the United States and are not, and are not acting for the account or benefit of, any U.S. Person;
- are not an Ineligible Retail Shareholder (as defined in the retail offer booklet);
- are not an eligible Institutional Shareholder who was successfully invited to participate in the Institutional Entitlement Offer (as determined by the Joint Lead Managers); and
- are eligible under all applicable securities laws to receive an offer under the Retail Offer.

The Retail Entitlement Offer is not being extended to any Shareholder outside Australia and New Zealand. Any person who is a retail shareholder in AWB who is not an Eligible Retail Shareholder is an Ineligible Retail Shareholder.

STOCK LENDING

Eligible shareholders will be entitled to apply for 1 New Share for every 1 Share held as at Record Date. If an AWB shareholder has AWB ordinary shares out on loan, the borrower will be regarded as the shareholder for the purposes of determining the Entitlement (provided that those borrowed shares have not been on-sold).