

# AWB LIMITED PRELIMINARY FINAL REPORT

ABN 99 081 890 459

## APPENDIX 4E

Financial year ended 30 September 2009

### Results for announcement to the market:

\$'000

Reported revenues from continuing operations*	up	7.10%	to	6,686,690
Profit before tax and significant items from continuing operations	down	29.28%	to	93,025
Reported net profit/(loss) from continuing operations before tax	down	>100%	to	(159,833)
Reported net profit/(loss) from continuing operations after tax	down	>100%	to	(146,205)
Reported net profit/(loss) from discontinuing operations after tax	down	>100%	to	(101,765)
Reported net profit/(loss) after tax attributable to members of the parent	down	>100%	to	(250,824)

Refer to Attachment 1 for a reconciliation of statutory reported profit/(loss) before tax for continuing operations to the profit before tax and significant items from continuing operations per the management discussion and analysis document (MD&A).

### Dividends

A dividend has not been declared for the year ended 30 September 2009.

\* Revenues from continuing operations comprises:

	2009	2008
	\$'000	\$'000
Sales revenue	6,272,317	5,864,903
Other revenues from continuing operations	141,240	79,967
Interest revenue	273,133	298,260
Total	6,686,690	6,243,130

# AWB LIMITED PRELIMINARY FINAL REPORT

ABN 99 081 890 459

## Income Statement

For the year ended 30 September 2009

	Notes	Consolidated	
		2009 \$'000	2008 \$'000
<b>Continuing Operations</b>			
<b>Revenue</b>	2	6,272,317	5,864,903
Cost of sales		(6,039,548)	(5,412,719)
<b>Gross profit/(loss) from continuing operations</b>		<b>232,769</b>	<b>452,184</b>
Finance revenue	2	273,133	298,260
Finance costs	2	(255,984)	(287,382)
Other income	2	141,240	79,967
Other expenses	2	(559,817)	(458,309)
Share of profit/(loss) of associates	3	8,826	10,583
<b>Profit/(loss) from continuing operations before income tax</b>		<b>(159,833)</b>	<b>95,303</b>
Income tax (expense)/benefit		13,628	(28,405)
<b>Net profit/(loss) for the period from continuing operations</b>		<b>(146,205)</b>	<b>66,898</b>
<b>Discontinued Operations</b>			
Net loss from discontinued operations after income tax		(101,765)	(5,589)
<b>Net profit/(loss) for the period</b>		<b>(247,970)</b>	<b>61,309</b>
Profit attributable to minority interest		2,854	1,037
<b>Profit/(loss) attributable to members of the parent</b>		<b>(250,824)</b>	<b>60,272</b>

# AWB LIMITED PRELIMINARY FINAL REPORT

ABN 99 081 890 459

## Notes to and forming part of the Preliminary Final Report

### 1. BASIS OF PREPARATION

This report has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards. The preliminary final report has been prepared on a historical cost basis, except for derivative financial instruments, biological assets, inventories held as commodity broker-trader, certain loans and receivables and available-for-sale financial assets that have been measured at fair value.

	<b>Consolidated</b>	
	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>2. REVENUES AND EXPENSES</b>		
Profit/(loss) from continuing operations before income tax expense includes the following specific items:		
<b>(a) Revenue</b>		
Sale of goods		
Commodity sales	3,666,958	3,366,374
Merchandise and fertiliser	1,640,978	1,787,699
Other	287,552	229,969
Related party (AWB Pools)	676,829	480,861
	<u>6,272,317</u>	<u>5,864,903</u>
<b>(b) Finance revenue</b>		
Interest revenue		
Financial institutions	32,781	41,688
Loans and advances - variable rate portfolio	174,823	216,431
Loans and advances - fixed rate portfolio	27,988	36,313
Related party (AWB Pools)	37,541	3,828
Wholly-owned group	-	-
Total finance revenue	<u>273,133</u>	<u>298,260</u>
<b>(c) Finance costs</b>		
Interest expense		
Financial institutions	157,249	232,573
Interest rate swaps	6,260	11,284
Related party (AWB Pools)	41,306	31,562
Total interest expense	<u>204,815</u>	<u>275,419</u>
Other finance costs	51,169	11,963
Total finance costs	<u>255,984</u>	<u>287,382</u>
Net finance income	<u>17,149</u>	<u>10,878</u>
<b>(d) Other income</b>		
Fees and commissions income		
Related party (AWB Pools)	15,304	46,028
Net foreign exchange gain/(loss)	13,383	(18,541)
Underwriting fees	3,237	4,073
Dividends		
Other persons/corporations	225	275

# AWB LIMITED PRELIMINARY FINAL REPORT

ABN 99 081 890 459

2. REVENUES AND EXPENSES (CONTINUED)	Consolidated	
	2009 \$'000	2008 \$'000
<b>(d) Other income (continued)</b>		
Profit/(loss) on sale of non-current assets		
Property, plant and equipment	272	119
Available for sale	15	6,561
	<u>287</u>	<u>6,680</u>
Rental income	1,090	1,028
Fair value gain/(loss) on fixed rate loans	5,736	11,199
Fair value gain/(loss) on derivative instruments measured at fair value through profit or loss	90,043	2,665
Other	11,935	26,560
Total other income	<u>141,240</u>	<u>79,967</u>
<b>(e) Other expenses</b>		
Amortisation	9,185	18,930
Depreciation	18,689	18,134
Total amortisation and depreciation expenses	<u>27,874</u>	<u>37,064</u>
Write down of assets/investments to recoverable amount	-	1,000
Impairment of goodwill	119,715	-
Communication and information technology costs	36,502	40,810
Commission and sales related costs	10,105	10,519
Legal, professional and consultancy costs	37,563	57,706
Travel costs	11,763	12,240
Motor vehicle costs	8,831	10,259
Advertising and promotion costs	7,159	9,083
Equipment and supplies costs	4,109	3,433
Operating lease rental expense	43,587	42,691
Employee benefits expenses	234,836	215,078
Superannuation expenses	15,208	15,036
Share-based payment and employee share issue expenses	2,565	3,390
	<u>559,817</u>	<u>458,309</u>

# AWB LIMITED PRELIMINARY FINAL REPORT

ABN 99 081 890 459

## Notes to and forming part of the Preliminary Final Report

### (a) Carrying amounts

Information relating to associates is set out below:

Name	Principal activity	Holding		Contribution to net profit/(loss)	
		2009 %	2008 %	2009 \$'000	2008 \$'000
Arcadian Wool Brokers Limited	Wool handling	40	40	279	464
AWH Pty Ltd (formerly Wooldumpers Australia Pty Ltd)	Wool handling	50	50	2,545	3,188
Five Star Flour Mills Company SAE (FSFM)	Flour mill	30	30	5,300	3,782
Five Star Feed Mills and Animal Production Company SAE	Feed mill	(i)	(i)	693	886
ELF Australia Pty Ltd <sup>(ii)</sup>	Rural	50	50	(18,521)	10,151
RD1 Limited	Rural services -	50	50	(15)	2,134
Farmerequip Pty Ltd	Rural financing	50	50	(10)	120
Genstock Pty Ltd	Rural livestock	50	50	120	9
Regional Infrastructure Pty Ltd (RIPL),	Rural livestock	50	-	(28)	-
HRZ Wheats Pty Ltd	Wheat breeding	30	-	(58)	-
				<u>(9,695)</u>	<u>20,734</u>

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

(i) The Group holds 23.7% directly. The other 9% is indirectly held through FSFM for a total holding of 32.7%.

(ii) Classified as discontinuing.

# AWB LIMITED PRELIMINARY FINAL REPORT

ABN 99 081 890 459

## Balance Sheet

As at 30 September 2009

	Notes	Consolidated	
		2009 \$'000	2008 \$'000
<b>Assets</b>			
Cash and cash equivalents		296,797	551,656
Loans and advances		3,301,801	4,046,740
Inventories		299,513	558,797
Derivative financial instruments		142,415	388,123
Investments		-	-
Available for sale financial assets		5,069	7,313
Other assets		42,800	141,508
Investments accounted for using the equity method		53,635	122,646
Property, plant and equipment		157,717	144,020
Intangible assets		421,969	538,238
Income tax receivable		19,708	-
Deferred income tax assets		103,052	102,424
Assets of disposal group classified as discontinued		214,706	-
<b>Total assets</b>		<b>5,059,182</b>	<b>6,601,465</b>
<b>Liabilities</b>			
Trade and other payables		428,793	791,510
Interest-bearing loans and borrowings		3,405,120	4,153,314
Income tax payable		-	59,107
Provisions		42,066	67,984
Derivative financial instruments		82,057	352,596
Other liabilities		1,128	324
Deferred income tax liabilities		12,225	5,449
Liabilities directly associated with the assets classified as discontinued		182,847	-
<b>Total liabilities</b>		<b>4,154,236</b>	<b>5,430,284</b>
<b>Net assets</b>		<b>904,946</b>	<b>1,171,181</b>
<b>Equity</b>			
Contributed equity		1,000,067	983,540
Reserves		(8,186)	13,488
Retained earnings	4	(101,927)	170,865
<b>Total parent entity interest</b>		<b>889,954</b>	<b>1,167,893</b>
Minority interest		14,992	3,288
<b>Total equity</b>		<b>904,946</b>	<b>1,171,181</b>

# AWB LIMITED PRELIMINARY FINAL REPORT

ABN 99 081 890 459

## 4. RETAINED EARNINGS

	Consolidated	
	2009 \$'000	2008 \$'000
<b>(b) Retained earnings</b>		
Balance at the beginning of the year	170,865	140,431
Net profit/(loss) attributable to members of AWB Limited	(250,824)	60,272
Dividend paid	(17,590)	(27,730)
Transfer to legal reserve	(4,378)	(2,108)
Balance at the end of the year	<u>(101,927)</u>	<u>170,865</u>

## 5. EQUITY

	Consolidated	
	2009 \$'000	2008 \$'000
<b>(a) Share Capital</b>		
Ordinary shares, fully paid	1,000,067	983,540

### **(b) Movements in ordinary share capital**

	No. of shares	\$'000
Movements in share capital during the period were as follows:		
Balance at the beginning of the year	351,806,649	983,540
Issued during the year		
- Dividend Reinvestment Plan (2009: \$2.79 per share, 2008: \$2.83 per share)	6,236,433	17,319
- Performance Rights Plan: \$nil per issue	-	-
- Employee Share Plan	-	-
Transaction costs	-	(792)
Balance at the end of the year	<u>358,043,082</u>	<u>1,000,067</u>

## Ratios

### Net tangible asset backing

	2009	2008
Net tangible asset backing per ordinary security	\$ 1.35	\$ 1.80

# AWB LIMITED PRELIMINARY FINAL REPORT

ABN 99 081 890 459

## Statement of Changes in Equity

For the year ended 30 September 2009

CONSOLIDATED	Attributable to equity holders of the parent				Total	Minority interest	Total equity
	Issued capital	Retained earnings	Staff share plan reserves equity	Other reserves			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 October 2007</b>	<b>969,743</b>	<b>140,431</b>	<b>5,593</b>	<b>(5,951)</b>	<b>1,109,816</b>	<b>2,131</b>	<b>1,111,947</b>
Currency translation differences	-	-	-	15,985	15,985	120	16,105
Available for sale revaluation	-	-	-	(7,637)	(7,637)	-	(7,637)
Appropriation to general legal reserve	-	(2,108)	-	2,108	-	-	-
Total income and expense for the period recognised directly in equity	-	(2,108)	-	10,456	8,348	120	8,468
Profit/(loss) for the period	-	60,272	-	-	60,272	1,037	61,309
Total income/(expense) for the period	-	58,164	-	10,456	68,620	1,157	69,777
Issue of share capital	13,797	-	-	-	13,797	-	13,797
Equity dividends	-	(27,730)	-	-	(27,730)	-	(27,730)
Share-based payments	-	-	3,390	-	3,390	-	3,390
<b>At 30 September 2008</b>	<b>983,540</b>	<b>170,865</b>	<b>8,983</b>	<b>4,505</b>	<b>1,167,893</b>	<b>3,288</b>	<b>1,171,181</b>
<b>At 1 October 2008</b>	<b>983,540</b>	<b>170,865</b>	<b>8,983</b>	<b>4,505</b>	<b>1,167,893</b>	<b>3,288</b>	<b>1,171,181</b>
Currency translation differences	-	-	-	(29,060)	(29,060)	527	(28,533)
Available for sale revaluation	-	-	-	(1,267)	(1,267)	-	(1,267)
Acquisition of remaining interest in subsidiary reserve	-	-	-	(80)	(80)	-	(80)
Appropriation to general legal reserve	-	(4,378)	-	4,378	-	-	-
Total income and expense for the period recognised directly in equity	-	(4,378)	-	(26,029)	(30,407)	527	(29,880)
Profit/(loss) for the period	-	(250,824)	-	-	(250,824)	2,854	(247,970)
Total income/(expense) for the period	-	(255,202)	-	(26,029)	(281,231)	3,381	(277,850)
Issue of share capital	16,527	-	-	-	16,527	8,355	24,882
Equity dividends	-	(17,590)	-	-	(17,590)	(32)	(17,622)
Share-based payments	-	-	4,355	-	4,355	-	4,355
<b>At 30 September 2009</b>	<b>1,000,067</b>	<b>(101,927)</b>	<b>13,338</b>	<b>(21,524)</b>	<b>889,954</b>	<b>14,992</b>	<b>904,946</b>

# AWB LIMITED PRELIMINARY FINAL REPORT

ABN 99 081 890 459

## Statement of Cash Flows

For the year ended 30 September 2009

	Consolidated	
	2009	2008
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Receipts from customers	7,264,902	5,992,709
Payments to suppliers and employees	(6,784,963)	(6,290,684)
Borrowing costs paid	(268,489)	(305,359)
Dividends received	1,262	5,156
Income tax refund received	574	3,066
Income taxes paid	(76,818)	(27,348)
Interest received	284,774	302,857
	<hr/>	<hr/>
<b>Net cash flows from/(used in) operating activities</b>	<b>421,242</b>	<b>(319,603)</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(44,378)	(22,169)
Payments for intangible assets	(9,820)	(7,416)
Proceeds from sale of property, plant and equipment	6,264	8,639
Proceeds from sale of intangible assets	7	896
Proceeds from sale of investments	992	6,560
Payment for controlled entities (net of cash acquired)	(1,347)	(3,332)
Purchases of investments and associates	-	-
	<hr/>	<hr/>
<b>Net cash flows from/(used in) investing activities</b>	<b>(48,282)</b>	<b>(16,822)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issues of ordinary shares	16,527	13,797
Proceeds from/(repayment of) borrowings from related party (AWB National Pools)	(360,150)	214,723
Proceeds from/(repayment of) borrowings from wholly-owned group	-	-
Proceeds from/(repayment of) borrowings	(260,835)	536,706
Proceeds from/(repayment of) interest bearing deposits	(101,403)	32,668
Dividends paid	(17,590)	(27,730)
Receipts - grower payment products	132,668	93,148
Payments - grower payment products	(139,208)	(165,200)
Repayments of grower loans	421,540	459,921
Loans advanced to growers	(261,919)	(606,704)
Repayment of customer loans	2,425,707	3,063,846
Loans advanced to customers	(2,468,011)	(3,273,481)
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<b>Net cash flows from/(used in) financing activities</b>	<b>(612,674)</b>	<b>341,694</b>
<b>Net increase/(decrease) in cash held</b>	<b>(239,714)</b>	<b>5,269</b>
Cash at the beginning of the financial year	551,656	546,387
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<b>Cash at the end of the financial year</b>	<b>311,942</b>	<b>551,656</b>

# AWB LIMITED PRELIMINARY FINAL REPORT

ABN 99 081 890 459

## Notes to and forming part of the Statement of Cash Flows

	Consolidated	
	2009 \$'000	2008 \$'000
<b>6. RECONCILIATION OF PROFIT/(LOSS) AFTER INCOME TAX TO NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES</b>		
<b>Profit/(loss) for the year</b>	(250,824)	61,309
<b>Adjustment for</b>		
Net loss/(gain) on disposal of property, plant and equipment	(272)	(2,528)
Net loss/(gain) on disposal of available for sale investments	(15)	(6,561)
Depreciation	19,866	18,426
Amortisation of intangible assets	9,578	19,044
Amortisation of purchase premium	4,792	4,573
Net fair value change on derivatives and fixed rate loans	(116,514)	47,058
Write down of property, plant and equipment to recoverable amount	5,614	-
Write down of intangible assets to recoverable amount	119,715	-
Write down of associates to recoverable amount	43,136	1,000
Share-based payment expense	4,355	3,390
Share of associates' net (profits)/losses	9,695	(20,734)
Write down of deferred tax asset	30,936	-
Write down of inventories to recoverable value	9,990	-
Changes in assets and liabilities		
Increase/(decrease) in income tax payable/receivable	(78,815)	25,695
Increase/(decrease) in deferred income tax liability	6,776	(4,852)
Decrease/(increase) in deferred income tax asset	(13,770)	(39,191)
Decrease/(increase) in receivables	548,841	(569,922)
Decrease/(increase) in inventories	246,931	(203,896)
Decrease/(increase) in prepayments and other assets	78,660	(59,034)
Increase/(decrease) in trade and other payables	(210,617)	261,507
Increase/(decrease) in provisions	(22,742)	20,036
Decrease/(increase) in derivative assets	245,661	127,965
Increase/(decrease) in derivative liabilities	(270,539)	(1,106)
Increase/(decrease) in unearned income	804	(1,782)
Net cash flow from/(used in) operating activities	<u>421,242</u>	<u>(319,603)</u>

# AWB LIMITED PRELIMINARY FINAL REPORT

ABN 99 081 890 459

## Change in control over entities

On 6 April 2009, Landmark Copeland Medway Pty Ltd (a subsidiary of Landmark Operations Limited) acquired the operations of Copeland Medway Pty Ltd.

The total cost of the combination was \$3,536,909 and comprised an issue of equity instruments, shareholder loan and payment of cash and costs directly attributable to the combination.

The acquired operations contributed revenue of \$6,032,016 and a net profit of \$167,540 to the Group for the period from March 2009 to 30 September 2009.

The acquisition of the operations is the result of merging two businesses operating in the same area.

Details of net assets acquired and goodwill are as follows:

### Purchase consideration

<b>Consolidated</b>	<b>\$</b>
Cash paid	805,573
Shares issued at fair value	1,556,194
Shareholder loan	980,000
Direct costs relating to the acquisition	195,142
<b>Total purchase consideration</b>	<b>3,536,909</b>

Fair value of identifiable net assets/(liabilities)	812,838
Goodwill arising on acquisition	2,724,070
	<b>3,536,909</b>

### The cash outflow on acquisition is as follows

Net cash acquired	-
Cash paid	(805,573)
<b>Net consolidated cash outflow</b>	<b>(805,573)</b>

	<b>Acquiree's carrying amount</b>	<b>Fair value</b>
	<b>\$</b>	<b>\$</b>
<b>Assets and liabilities acquired</b>		
Cash and cash equivalents		
Receivables	661,606	661,606
Inventories	400,026	400,026
Property, plant and equipment	122,574	122,574
Payables	(206,029)	(206,029)
Provision for employee entitlement	(165,339)	(165,339)
<b>Net identifiable assets/(liabilities) acquired</b>	<b>812,838</b>	<b>812,838</b>

# AWB LIMITED PRELIMINARY FINAL REPORT

ABN 99 081 890 459

## Change in control over entities (continued)

On 13 February 2009, Barrobook Pty Ltd (a subsidiary of Landmark Group) acquired the remaining 50% of the voting shares of Temora Grains Pty Ltd and 50% of the units of Temora Grains Unit Trust to obtain control with full 100% ownership. It is an unlisted private company based in Australia operating in grain storage facility for the receipt, storage and dispatch of grains.

The total cost of the combination was \$485,065 and comprised payment of cash and costs directly attributable to the combination.

The acquired business contributed revenue of \$nil and a net loss of \$37,045 to the Group for the period from 13 February 2009 to 30 September 2009.

The goodwill is attributed to the ability to expand of our trading business and to obtain operating synergies expected to arise from the acquisition of the business.

Details of net assets acquired and goodwill are as follows:

	Temora Grains Pty Ltd		Temora Grains Unit Trust		Total	
	\$		\$		\$	
<b>Purchase consideration</b>						
<b>Consolidated</b>						
Cash paid	1,001		482,978		483,979	
Direct costs relating to the acquisition	-		1,087		1,087	
Total purchase consideration	<u>1,001</u>		<u>484,065</u>		<u>485,066</u>	
Fair value of identifiable net assets/(liabilities)	2,000		(322,902)		(320,902)	
Goodwill/(discount) arising on acquisition	(999)		806,967		805,968	
	<u>1,001</u>		<u>484,065</u>		<u>485,066</u>	
<b>The cash outflow on acquisition is as follows</b>						
Net cash acquired	-		18,960		18,960	
Cash paid	(1,001)		(482,978)		(483,979)	
Net consolidated cash outflow	<u>(1,001)</u>		<u>(464,018)</u>		<u>(465,019)</u>	
	<b>Acquiree's carrying amount</b>	<b>Fair value</b>	<b>Acquiree's carrying amount</b>	<b>Fair value</b>	<b>Acquiree's carrying amount</b>	<b>Fair value</b>
	\$	\$	\$	\$	\$	\$
<b>Assets and liabilities acquired</b>						
Cash and cash equivalents	-	-	18,960	18,960	18,960	18,960
Receivables	2,000	2,000	199,945	199,945	201,945	201,945
Property, plant and equipment	-	-	297,924	297,924	297,924	297,924
Intangible assets	-	-	18,081	18,081	18,081	18,081
Payables	-	-	(857,812)	(857,812)	(857,812)	(857,812)
<b>Net identifiable assets/(liabilities) acquired</b>	<u>2,000</u>	<u>2,000</u>	<u>(322,902)</u>	<u>(322,902)</u>	<u>(320,902)</u>	<u>(320,902)</u>

# AWB LIMITED PRELIMINARY FINAL REPORT

ABN 99 081 890 459

## Issued and quoted securities at the end of current period

Category of securities	Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
<b>Ordinary securities</b>	358,043,082	358,043,082		
Changes during current period				
(a) Increases through issues:				
- Dividend Reinvestment Plan	6,236,433	6,236,433	\$2.79	\$2.79
<b>Performance Rights</b>			<i>Exercise Price (i)</i>	<i>Expiry date (if any)</i>
Opening	3,989,998	-	\$0.00	30/09/06,30/09/07, 30/09/08,30/09/09, 30/09/10 & 1/10/11
Issued during current period	2,674,071	-	\$0.00	1/10/2012
Exercised during current period	-	-	-	-
Cancelled during current period	(931,964)	-	-	-
Closing	5,732,105	-		

(i) As the exercise price is \$1 for the exercise of large parcels of performance rights, combined with certain tranches which have a nil exercise price, the effective weighted average exercise price is nil.

# AWB LIMITED PRELIMINARY FINAL REPORT

ABN 99 081 890 459

## RESTATEMENT OF PRIOR PERIOD BALANCES

During the year ended 30 September 2009 the consolidated entity became aware that certain other assets related to inventory in AWB Brasil had been overstated and trade payables understated in the accounts as at 30 September 2008.

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

	30 September 2008	Variance	30 September 2008
	Restated \$'000	\$'000	Previously reported \$'000
<b>Income Statement</b>			
<b>Revenue</b>	6,501,548		6,501,548
Cost of sales	(6,011,511)	(6,082)	(6,005,429)
<b>Gross profit/(loss)</b>	<b>490,037</b>	<b>(6,082)</b>	<b>496,119</b>
Finance revenue	303,156		303,156
Finance costs	(304,253)		(304,253)
Other income	39,995		39,995
Other expenses	(471,745)		(471,745)
Share of profit of associates	20,734		20,734
<b>Profit before income tax</b>	<b>77,924</b>	<b>(6,082)</b>	<b>84,006</b>
Income tax expense	(16,615)	2,068	(18,683)
<b>Net profit for the period</b>	<b>61,309</b>	<b>(4,014)</b>	<b>65,323</b>
Profit attributable to minority interest	1,037		1,037
<b>Profit attributable to members of the parent</b>	<b>60,272</b>	<b>(4,014)</b>	<b>64,286</b>
The above disclosure will not reconcile to the income statement in 2009 as Brasil has been classified as a discontinued operation in the current year (refer note 4).			
Earnings per share (cents)			
- basic earnings per share	17.6	(0.9)	18.5
- diluted earnings per share	17.5	(0.9)	18.4
<b>Balance Sheet</b>			
<b>Assets</b>			
Cash and cash equivalents	551,656		551,656
Loans and advances	4,046,740		4,046,740
Inventories	558,797		558,797
Derivative financial instruments	388,123		388,123
Investments	-		-
Available for sale financial assets	7,313		7,313
Other assets	141,508	(5,264)	146,772
Investments accounted for using the equity method	122,646		122,646
Property, plant and equipment	144,020		144,020
Intangible assets	538,238		538,238
Deferred income tax assets	102,424	2,342	100,082
<b>Total assets</b>	<b>6,601,465</b>	<b>(2,922)</b>	<b>6,604,387</b>
<b>Liabilities</b>			
Trade and other payables	791,510	1,626	789,884
Interest-bearing loans and borrowings	4,153,314		4,153,314
Income tax payable	59,107		59,107
Provisions	67,984		67,984
Derivative financial instruments	352,596		352,596
Other liabilities	324		324
Deferred income tax liabilities	5,449		5,449
<b>Total liabilities</b>	<b>5,430,284</b>	<b>1,626</b>	<b>5,428,658</b>
<b>Net assets</b>	<b>1,171,181</b>	<b>(4,548)</b>	<b>1,175,729</b>
<b>Equity</b>			
Contributed equity	983,540		983,540
Reserves	13,488	(535)	14,023
Retained earnings	170,865	(4,013)	174,878
<b>Total parent entity interest</b>	<b>1,167,893</b>	<b>(4,548)</b>	<b>1,172,441</b>
Minority interest	3,288		3,288
<b>Total equity</b>	<b>1,171,181</b>	<b>(4,548)</b>	<b>1,175,729</b>

# AWB LIMITED PRELIMINARY FINAL REPORT

ABN 99 081 890 459

## Segment reporting

The segment reporting details are set out in Attachment 2.

## Commentary on the results for the period

The commentary on the results for the period is contained in the press release dated 18 November 2009 accompanying this statement.

## Subsequent events

On 23rd September 2009 AWB launched a fully underwritten 1:1 accelerated non-renounceable pro-rata entitlement offer and a \$100 million institutional placement to raise \$459 million.

The offer was at a fixed price of \$1.00 per share and the following funds were received post year end:

- Settlement of the institutional placement and the institutional entitlement offer occurred on 7 October 2009, raising a total of \$218 million

- Settlement of the retail entitlement offer occurred on 29 October 2009, raising a total of \$241 million.

The capital raising was undertaken to reduce debt, strengthen the balance sheet and provide financial flexibility for future initiatives.

## Class Actions

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

### ***Mastafa and Ismail Claim***

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

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

# AWB LIMITED PRELIMINARY FINAL REPORT

ABN 99 081 890 459

## ***Karim (Iraqi Residents' Class Action)***

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

The complaint (as amended and filed on the 17 June 2007) alleges that by reason of AWB's conduct during the Oil-for-Food ("OFF") Programme, AWB depleted the UN OFF escrow account, and thereby unlawfully deprived these plaintiffs and the others in the class (all of whom it is alleged are or were residents of the 3 northern governorates of Iraq) of the humanitarian benefits which those funds would have purchased for them. It also alleges that 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. On 2 October 2009 the Court of Appeals affirmed the dismissal in AWB's favour of the plaintiff's action. To date no further steps have been taken by the plaintiffs.

## ***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. AWB Limited (amongst others) has entered into a stipulation with the plaintiffs to allow for the complete service of all defendants with an amended complaint, and for the service and hearing of two rounds of motions to dismiss. The amended complaint was filed on 31 July 2009. First-round motions to dismiss are due by 15 January 2010.

## ***Watson (Shareholder) Class Action***

On 9 October 2007 proceedings were filed in the Federal Court of Australia against AWB Limited by John and Kaye Watson as a class action under Part IVA of the Federal Court Act. The plaintiffs seek a declaration that AWB Limited contravened the continuous disclosure provisions of the Corporations Act by not informing the ASX of AWB Limited's knowledge of the facts surrounding its activities in relation to the 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.

The damage alleged by the plaintiffs John and Kaye Watson in the amended statement of claim is \$20,400 but this is not representative of the total damages likely to be claimed. A mediation before the Hon GE 'Tony' Fitzgerald AC QC took place on 2 July 2009 and 21 August 2009. The mediation did not resolve the matter. The trial has been fixed to commence on 30 November 2009.

## **Oil for Food Inquiry and related matters**

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

In July 2007, ASIC launched its own investigation, and 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.

# AWB LIMITED PRELIMINARY FINAL REPORT

ABN 99 081 890 459

On 29 August 2009 the Australian Federal Police ('AFP') confirmed that on the advice of Mr Peter Hastings QC, and in consultation with the Commonwealth Director of Public Prosecutions and the Commonwealth Attorney-General's department, the AFP had decided to discontinue the AFP investigation and to offer assistance to ASIC.

The trial of Mr Lindberg began on 19 October 2009 and at the date of this report had progressed only as far as ASIC's opening speech.

At the date of this report, no legal action has been commenced against 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 the annual report.

## Standard Chartered Bank Litigation

In February 2005, Standard Chartered Bank plc brought an action against AWB (USA) Ltd in the US District Court for the Southern District of New York in respect of a promissory note dispute. The amount claimed was approximately USD35m. On 14 January 2008 Judge Hellerstein issued his opinion directing the entry of judgement against AWB (USA) Ltd, and on 16 January 2008, judgment was entered against AWB (USA) Ltd in the amount of approximately USD24.3m.

On 23 January 2008, AWB (USA) Ltd filed a notice of appeal with the United States Court of Appeals for the Second Circuit, and filed its Appeal brief on 15 April 2008. AWB has secured the judgment debt to the satisfaction of Standard Chartered Bank plc, and the judgement was stayed pending the awaited decision of the Court of Appeals.

On 1 September 2009 the Court of Appeals remanded the case to the trial division to redraft its judgment to include a number of key issues which the Court of Appeals felt were necessary to substantiate the trial Court's decision. The Court of Appeals stated: 'we find ourselves unable to review the correctness of the district court's judgment because its opinion fails to furnish explanatory information and findings we think are essential to appellate review'. The Court of Appeals requested the revised reasons for order within 90 days unless ordered otherwise. In the event that the trial court maintains its decision, a further appeal will be allowed to the same bench of the Court of Appeals.

AWB has paid USD25.5m to Standard Chartered Bank Plc even though it is of the view that AWB (USA) Ltd has a strong position. AWB (USA) Ltd will continue to pursue its appeal avenues. This has reduced the provision to nil.

## Annual meeting

The annual meeting will be held as follows:

Place	AWB Limited, 380 La Trobe Street, Melbourne
Date	23 December 2009
Time	2.00pm
Approximate date the annual report will be available	25 November 2009

## Audit

This report is based on accounts which have been audited.

# AWB LIMITED PRELIMINARY FINAL REPORT

ABN 99 081 890 459

Attachment 1

## RECONCILIATION OF STATUTORY REPORTED PROFIT BEFORE TAX FOR CONTINUING OPERATIONS TO MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

(\$'000)	2009	2008
<b>Continuing earnings before tax per financial report</b>	<b>(159,833)</b>	<b>95,303</b>
<b>Add back:</b>		
Significant items		
Sale of CME shares and KCBT membership	-	(6,561)
Provision for Standard Chartered Bank litigation	1,486	26,423
Costs associated with legacy issues	18,583	13,438
Realised gains on strategic investments	(1,132)	1,675
Strategic projects	3,000	-
Restructuring costs	11,207	-
Employee share plan loan fair value adjustment	2,726	-
Goodwill impairment	119,715	-
Intercompany write-offs <sup>1</sup>	109,739	-
Foreign exchange <sup>2</sup>	(12,466)	1,270
<b>Continuing earnings before tax and significant items per MD&amp;A</b>	<b>93,025</b>	<b>131,548</b>

1. The intercompany write-off relates to AWB Brazil payables to AWB Geneva and Australia that have been written-off during the year. While this eliminates on consolidation, it is shown in the respective discontinued and continuing operations in the statutory financial report.

2. Foreign exchange represents the difference between the budgeted FX rate and the actual rate. This difference is recognised in the Other/corporate segment of the MD&A while the International Commodity Management segment presents the result at budgeted rate.

# SEGMENT REPORTING DETAILS

Attachment 2

FOR THE FULL YEAR ENDED 30 SEPTEMBER 2009

AWB LIMITED & ITS CONTROLLED ENTITIES

2009

	Continuing operations						Total	Discontinued Operations		Intersegment eliminations	Total Operations	
	Pool Management & Harvest Finance	Grain Marketing (formerly Australian Commodity Management)	International Commodity Management	Logistics & Other Investments (formerly Supply Chain and Other Investments)	Landmark Financial Services	Rural Services	Other/corporate	International Commodity Management (Brasil)	Rural Services (ELF)			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>Revenue</b>												
External segment revenue	189,557	1,824,952	2,275,028	298,952	234,823	1,783,407	79,971	6,686,690	567,187	-	-	7,253,877
Intersegment revenue	984	255,312	263,613	41,306	-	(1,566)	236,483	796,132	-	-	(796,132)	-
<b>Total consolidated revenue</b>	<b>190,541</b>	<b>2,080,264</b>	<b>2,538,641</b>	<b>340,258</b>	<b>234,823</b>	<b>1,781,841</b>	<b>316,454</b>	<b>7,482,822</b>	<b>567,187</b>	<b>-</b>	<b>(796,132)</b>	<b>7,253,877</b>
<b>Results</b>												
Underlying EBITDA	10,028	43,975	47,460	15,610	18,473	37,007	(7,156)	165,397	(113,338)	-	-	52,059
Share of associates' profits/(losses)	-	-	-	5,993	-	2,833	-	8,826	-	(18,521)	-	(9,695)
Total underlying EBITDA	10,028	43,975	47,460	21,603	18,473	39,840	(7,156)	174,223	(113,338)	(18,521)	-	42,364
Amortisation and depreciation	-	-	(206)	(8,792)	(1,341)	(8,111)	(9,424)	(27,874)	(7,184)	-	-	(35,058)
Underlying EBIT	10,028	43,975	47,254	12,811	17,132	31,729	(16,580)	146,349	(120,522)	(18,521)	-	7,306
Significant items	-	(55,905)	(53,834)	-	(119,715)	-	(35,870)	(265,324)	109,739	(43,136)	-	(198,721)
Segment result	10,028	(11,930)	(6,580)	12,811	(102,583)	31,729	(52,450)	(118,975)	(10,783)	(61,657)	-	(191,415)
Corporate net interest expense								(53,324)	(5,180)	-	-	(58,504)
Profit/(loss) before income tax and minority interest								(172,299)	(15,963)	(61,657)	-	(249,919)
Income tax expense								13,628	(30,936)	19,257	-	1,949
Profit attributable to minority interest								(2,854)	-	-	-	(2,854)
<b>Profit/(loss) attributable to members of the parent</b>								<b>(161,525)</b>	<b>(46,899)</b>	<b>(42,400)</b>	<b>-</b>	<b>(250,824)</b>

# SEGMENT REPORTING DETAILS

FOR THE FULL YEAR ENDED 30 SEPTEMBER 2009

AWB LIMITED & ITS CONTROLLED ENTITIES

Attachment 2

	Continuing operations						Total	Discontinuing Operations		Intersegment eliminations	Total Operations	
	Pool Management & Harvest Finance	Grain Marketing (formerly Australian Commodity Management)	International Commodity Management	Logistics & Other Investments (formerly Supply Chain and Other Investments)	Landmark Financial Services	Rural Services	Other/corporate	International Commodity Management (Brazil)	Rural Services (Hi-Fert)			
<b>Assets</b>												
Segment assets	222,774	304,794	718,791	139,592	2,494,818	573,995	1,549,365	6,004,129	190,824	10,740	(1,282,413)	4,923,280
Unallocated corporate assets												135,902
<b>Total assets</b>												<u>5,059,182</u>
<b>Liabilities</b>												
Segment liabilities	219,149	338,808	602,046	236,253	2,484,858	485,814	518,411	4,885,339	182,847	-	(926,175)	4,142,011
Unallocated corporate liabilities												12,225
<b>Total liabilities</b>												<u>4,154,236</u>
<b>Unallocated net corporate assets</b>												123,677
<b>Net assets excluding net corporate assets</b>	3,625	(34,014)	116,745	(96,661)	9,960	88,181	1,030,954	1,118,790	7,977	10,740	(356,238)	781,269
<b>Net Assets</b>												<u>904,946</u>
<b>Other segment information</b>												
Investments in associates	-	-	-	-	83	32,916	20,636	53,635	-	10,740	-	64,375
Acquisition of non-current assets	-	13,519	898	-	-	8,001	19,561	41,979	-	-	-	41,979
Non-cash expenses other than depreciation and amortisation	-	-	-	-	-	-	8,180	8,180	-	-	-	8,180
<b>Geographical segments</b>	Australia	Switzerland	Others & Discontinued Operations	Intersegment eliminations	Consolidated							
	\$'000	\$'000	\$'000	\$'000	\$'000							
<b>Segment revenue</b>	4,411,350	2,412,787	923,443	(493,703)	7,253,877							
<b>Segment assets</b>	5,099,108	693,140	202,828	(935,894)	5,059,182							
<b>Other segment information</b>												
Acquisition of non-current assets	41,081	637	261	-	41,979							

# SEGMENT REPORTING DETAILS

FOR THE FULL YEAR ENDED 30 SEPTEMBER 2009

AWB LIMITED & ITS CONTROLLED ENTITIES

2008

Attachment 2

	Continuing operations						Total	Discontinuing Operations		Intersegment eliminations	Total Operations
	Pool Management & Harvest Finance	Grain Marketing (formerly Australian Commodity Management)	International Commodity Management	Logistics & Other Investments (formerly Supply Chain and Other Investments)	Landmark Financial Services	Rural Services	Other/ corporate	International Commodity Management (Brazil)	Rural Services (Hi-Fert)		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue</b>											
External segment revenue	221,851	1,113,832	3,055,294	140,060	242,017	1,915,552	16,993	6,705,599	139,100	-	6,844,699
Intersegment revenue	1,839	156,884	61,283	21,887	9	44	198,145	440,091	462,469	(902,560)	-
<b>Total consolidated revenue</b>	<b>223,690</b>	<b>1,270,716</b>	<b>3,116,577</b>	<b>161,947</b>	<b>242,026</b>	<b>1,915,596</b>	<b>215,138</b>	<b>7,145,690</b>	<b>601,569</b>	<b>(902,560)</b>	<b>6,844,699</b>
<b>Results</b>											
Underlying EBITDA	34,249	55,337	33,862	1,885	27,630	79,890	(3,015)	229,838	(15,930)	10,151	224,059
Share of associates' profits	-	-	(234)	(8,350)	(1,310)	8,253	(18,911)	(37,058)	(425)	-	(37,483)
Total underlying EBITDA	34,249	55,337	33,628	(6,465)	26,320	71,637	(21,926)	192,780	(16,355)	10,151	186,576
Amortisation and depreciation	-	-	-	-	-	-	(34,975)	(34,975)	-	-	(34,975)
Underlying EBIT	34,249	61,909	33,628	(13,037)	26,320	71,637	(23,599)	191,107	(16,355)	10,151	184,903
Significant items	-	-	-	-	-	-	(33,302)	(33,302)	-	-	(33,302)
Segment result	34,249	61,909	33,628	(13,037)	26,320	71,637	(56,901)	157,805	(16,355)	10,151	151,601
Corporate net interest expense								(61,163)	(12,514)	-	(73,677)
Profit/(loss) before income tax and minority interest								96,642	(28,869)	10,151	77,924
Income tax expense								(28,405)	11,790	-	(16,615)
Profit attributable to minority interest								(1,037)	-	-	(1,037)
<b>Profit attributable to members of the parent</b>								<b>67,200</b>	<b>(17,079)</b>	<b>10,151</b>	<b>60,272</b>

# SEGMENT REPORTING DETAILS

FOR THE FULL YEAR ENDED 30 SEPTEMBER 2009

AWB LIMITED & ITS CONTROLLED ENTITIES

Attachment 2

	Continuing operations							Total	Discontinuing Operations		Intersegment eliminations	Total Operations
	Pool Management & Harvest Finance	Grain Marketing (formerly Australian Commodity Management)	International Commodity Management	Logistics & Other Investments (formerly Supply Chain and Other Investments)	Landmark Financial Services	Rural Services	Other/corporate		International Commodity Management (Brazil)	Rural Services (Hi-Fert)		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>												
Segment assets	393,273	812,953	1,214,968	115,148	2,657,374	764,763	1,742,900	7,701,379	-	-	(1,199,996)	6,501,383
Unallocated corporate assets												100,082
<b>Total assets</b>												<u>6,601,465</u>
<b>Liabilities</b>												
Segment liabilities	390,418	779,952	1,068,253	216,628	2,640,549	549,791	590,001	6,235,592	-	-	(869,864)	5,365,728
Unallocated corporate liabilities												64,556
<b>Total liabilities</b>												<u>5,430,284</u>
<b>Unallocated net corporate assets</b>												35,526
<b>Net assets excluding net corporate assets</b>	2,855	33,001	146,715	(101,480)	16,825	214,972	1,152,899	1,465,787	-	-	(330,132)	<u>1,135,655</u>
<b>Net Assets</b>												<u>1,171,181</u>
<b>Other segment information</b>												
Investments in associates	-	-	-	19,688	93	102,865	-	122,646	-	-	-	122,646
Acquisition of non-current assets	-	-	2,592	3,985	-	6,518	9,074	22,169	-	-	-	22,169
Non-cash expenses other than depreciation and amortisation	-	-	-	-	-	-	26,423	26,423	-	-	-	26,423
<b>Geographical segments</b>												
	Australia	Switzerland	Others & Discontinued Operations	Intersegment eliminations	Consolidated							
	\$'000	\$'000	\$'000	\$'000	\$'000							
<b>Segment revenue</b>	3,582,732	2,860,141	933,785	(531,959)	6,844,699							
<b>Segment assets</b>	6,543,292	954,770	307,355	(1,203,952)	6,601,465							
<b>Other segment information</b>												
Acquisition of non-current assets	19,577	21	2,571		22,169							