

**Chairman's Address
adjourned A Class shareholders meeting
3 September 2008**

Ladies and Gentlemen, for those of you who were not at the meeting on 21 August, a shareholder moved that the A class meeting be adjourned to allow additional time for A class shareholders to vote.

It was disappointing that only 27 per cent of shareholders had lodged postal votes or proxies when voting closed.

I am pleased to report however, that following the adjournment participation has lifted significantly for which I thank shareholders. As you can see on the slide behind me, we now have 44.3% of shareholders voting, representing 50% of the total votes.

This is an unprecedented level of shareholder participation and gives the result a level of legitimacy rarely seen in Corporate Australia.

When the shareholder meeting on 21 August was adjourned with the consent of the meeting, the AWB Board met and agreed the date for this meeting.

An announcement was immediately issued to the Australian Stock Exchange with the date and time of the resumption and a copy was placed on the AWB web site.

The Managing Director, Gordon Davis, also wrote to all A class shareholders that had not yet voted encouraging them to vote.

Gordon subsequently travelled to Western Australia, held several additional grower meetings and attended the Dowerin Field Day to raise awareness about the vote.

The response was generally positive, with increased participation and increased support for reform.

Most national and State grains organisations have encouraged A class shareholders to vote for reform.

The Grains Council of Australia, VFF, SAFF and Agforce in Queensland all continued to support AWB reform.

The newly elected Chairman of the NSWFA Grains Council also issued a statement calling on A class shareholders to vote.

A NSWFA Grains Council media release said, and I quote:

“A strong and united company is essential if AWB is to be competitive this harvest.

“It is important that A class shareholders recognise that AWB cannot deliver the best outcome for growers until the AWB Board takes a unified approach on the proposed Constitutional reform.”

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I and the majority of Directors obviously agree with the need for a unified approach.

Quite frankly, continued opposition to AWB reform is astounding given that 91 per cent of A&B class shareholders supported reform at the meeting on 21 August, and 74.7% of shareholders who had lodged votes before that meeting also supported reform.

However, the four A class Directors that opposed reform have not changed their mind.

Despite shareholder requests at the last meeting and an opportunity at our last Board meeting, none of the four Directors have changed their minds or resigned.

A small number of vocal agri-political activists supporting the four Directors have also continued to oppose reform.

The majority of the Board however believe the evidence is compelling - the current complex Constitution and costly dual class shareholder structure effectively holds the company back.

None of our competitors, including the five new bulk wheat export licence holders, is constrained by similar restrictions.

The report by Value Enhancement Management about the benefits of reform and the IPSOS research about what wheat growers really value were concrete proof that reform is necessary.

Our opponents have presented no evidence, I repeat, no evidence to support their assertions that A class shares are essential to maintain grower loyalty.

Indeed, they quickly dropped that line of argument when it was seen to be wafer thin.

Instead they have tried to undermine rising support for reform by criticising our campaign strategy and the voting process.

I have complete confidence in Computershare's ability to conduct the ballot independently and fairly. However, in order to remove any doubts, as Chairman I appointed Ernst & Young to independently scrutineer the voting process managed by Computershare.

The simple fact is that the majority of A class wheat grower shareholders support reform.

Not even one of the key architects of the Single Desk, John Anderson, agrees with the opponents of reform.

In a media release issued with his consent last week, the former Leader of the National Party said:

“Without a Single Desk and the introduction of a competitive marketplace, growers now need genuine choice from domestic exporters and I believe that it is in growers’ interests that the AWB can be as competitive as possible.

“In these circumstances, I have come to believe that it is in growers’ best interest to vote for reform,” he said.

As I said at the last meeting, it is time to take agri-politics out of AWB.

It is time for agri-political activists to recognise that they are in a very small minority and to stop their efforts to stymie reform.

It is time for AWB to leave the past behind and move into the future as a truly commercial enterprise.

That is what the majority of A class shareholders who will supply us with wheat in the new grain market want.

That is what the vast majority of B class shareholders who fund the company want.

That is what the banks who we borrow money from to fund grain trading want.

That is what all the governance experts and credit rating agencies want.

That is what your management team and your employees want.

The majority of the Directors hope that we will achieve sufficient shareholder support today to implement reform.

If more than 75 per cent of shareholders vote for reform today, then all of the A class shares will be immediately redeemed and all A class Directors will retire once the new Constitution is in place.

AWB will move quickly to gain shareholder approval for a new commercial Constitution.

That will require a further shareholder meeting, probably in late October.

I urge all of you here today to seize the opportunity to move forward confidently into the future by supporting reform.