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AWB LIMITED

A.B.N. 99 081 890 459

**CONDENSED HALF YEAR REPORT
APPENDIX 4D**

31 March 2010

AWB LIMITED
HALF YEAR REPORT
RESULTS FOR ANNOUNCEMENT TO THE MARKET
HALF YEAR ENDED 31 MARCH 2010

				2009		2010	Reference to
				\$'000		\$'000	the Financial
							Statements
<i>Continuing Operations</i>							
Revenues*	down	6.6%	from	3,202,668	to	2,991,639	Note 2 (a,b,c)
Profit before tax and significant items**	down	41.5%	from	56,054	to	32,786	Note 4
Profit/(loss) before tax	down	142.6%	from	44,834	to	(19,112)	
Profit/(loss) after tax	down	131.4%	from	37,572	to	(11,802)	
<i>Discontinuing Operations</i>							
Profit/(loss) after tax	down	81.7%	from	(28,455)	to	(51,714)	Note 3
<i>Total</i>							
Net profit for the period attributable to members of the parent	down	858.0%	from	8,542	to	(64,750)	

Dividends

An interim dividend has not been declared for the half year ended 31 March 2010

	2009	2010
	\$	\$
Net tangible assets per security	1.85	1.04

Change in control over entities

The Group's ownership of NovaAgri Infra-estrutura de Armazenagem e Escoamento Agrícola S.A. decreased from 52% to 47% in October 2009, resulting in a loss of control. The group deconsolidated this investment and commenced equity accounting at this time.

* Revenues from continuing operations

	2009	2010	
	\$'000	\$'000	
Revenue	3,157,519	2,962,963	Note 2(a)
Other income	15,493	14,064	Note 2(b)
Finance income	29,656	14,612	Note 2(c)
	<u>3,202,668</u>	<u>2,991,639</u>	

** Refer to page 2 for a reconciliation of continuing profit/(loss) before tax per the financial report to the profit before tax and significant items above.

AWB LIMITED
HALF YEAR REPORT
RESULTS FOR ANNOUNCEMENT TO THE MARKET
HALF YEAR ENDED 31 MARCH 2010

Reconciliation of continuing profit/(loss) before tax per the financial report to the profit before tax and significant items as reported in the results for announcement to the market and the management discussion and analysis.

	2010	2009
	\$'000	\$'000
Continuing profit/(loss) before tax per financial report	(19,112)	44,834
Add back:		
Significant items		
Writedown of employee share loans	3,500	1,726
Settlement of Watson Class Action	39,500	-
Costs associated with "Oil-for-Food Inquiry" legacy issues	6,525	8,037
Mark to market of equity swaps	-	8,778
Strategic project costs	1,670	3,380
Restructuring costs	467	-
Foreign exchange ¹	236	(10,701)
Continuing profit before tax and significant items	32,786	56,054

1. 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.

AWB LIMITED
DIRECTORS' REPORT

Your directors submit their report for the half year ended 31 March 2010.

DIRECTORS

The names and details of the directors of the company during the half year and until the date of this report are:

Name

- Peter Polson (Chairman)
- Gordon Davis (Managing Director)
- Fred Grimwade
- Tony Howarth
- John Schmoll

RESULTS AND REVIEW OF OPERATIONS

	2010	2009
	\$'000	\$'000
Total net profit/(loss) for the period attributable to non controlling interest	1,234	575
Total net profit/(loss) for the period attributable to members of the parent	(64,750)	8,542
Total net profit/(loss) for the period attributable to the Group	<u>(63,516)</u>	<u>9,117</u>

Further commentary on the results for the period (including a review of the operations and the results of those operations) is contained in the Management Discussion and Analysis document released to the Australian Stock Exchange.

ROUNDING

The amounts contained in this report and in the financial statements have been rounded off under the option available to the company under Australian Securities and Investments Commission (ASIC) Class Order 98/100. Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

AUDITOR INDEPENDENCE

The Auditor's review of the financial report is in accordance with the declaration on page 4 - "Auditor Independence Declaration to the Directors of AWB Limited."

Signed in accordance with a resolution of the directors:



Peter Polson
Chairman



Gordon Davis
Managing Director

Melbourne
19 May 2010

Auditor's Independence Declaration to the Directors of AWB Limited

In relation to our review of the financial report of AWB Limited for the half-year ended 31 March 2010, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



Ernst & Young



T M Dring
Partner
19 May 2010

AWB LIMITED
INCOME STATEMENT
FOR THE HALF YEAR ENDED 31 MARCH 2010

	Notes	Consolidated	
		31 March	31 March
		2010	2009
		\$'000	\$'000
Revenue	2(a)	2,962,963	3,157,519
Cost of sales		(2,761,596)	(2,939,134)
Gross profit/(loss) from continuing operations		201,367	218,385
Finance income	2(c)	14,612	29,656
Finance costs	2(e)	(22,522)	(27,267)
Other income	2(b)	14,064	15,493
Other expenses		(233,701)	(195,169)
Share of profit/(loss) of associates	6	7,068	3,736
Profit/(loss) from continuing operations before income tax		(19,112)	44,834
Income tax (expense)/benefit	2(g)	7,310	(7,262)
Net profit/(loss) for the period from continuing operations		(11,802)	37,572
Discontinued operations			
Net loss from discontinued operations after income tax	3	(51,714)	(28,455)
Net profit/(loss) for the period attributable to the Group		(63,516)	9,117
Net profit/(loss) for the period is attributable to:			
Non controlling interest		1,234	575
Members of the parent		(64,750)	8,542
Total net profit/(loss) for the period attributable to the Group		(63,516)	9,117
Earnings per share from continuing operations:			
Basic earnings per share (cents)		(1.53)	9.97
Diluted earnings per share (cents)		(1.53)	9.97
Earnings per share:			
Basic earnings per share (cents)		(8.41)	2.42
Diluted earnings per share (cents)		(8.41)	2.42

AWB LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 MARCH 2010

	Consolidated	
	31 March	31 March
	2010	2009
	\$'000	\$'000
Net profit/(loss) for the period attributable to the Group	(63,516)	9,117
Other comprehensive income		
Net fair value gains/(loss) on available-for-sale financial assets	(109)	(1,232)
Cash flow hedges: Gain/(loss) taken to equity	-	(1,680)
Foreign currency translation	(13,591)	12,005
Income tax on items of other comprehensive income	(2,594)	(3,109)
Other comprehensive income for the period, net of tax	(16,294)	5,984
Total comprehensive income for the period attributable to the Group	(79,810)	15,101
Total comprehensive income for the period is attributable to:		
Non controlling interest	(8,355)	987
Members of the parent	(71,455)	14,114
Total comprehensive income for the period attributable to the Group	(79,810)	15,101

AWB LIMITED
BALANCE SHEET
AS AT 31 MARCH 2010

	Note	Consolidated	
		As at 31 March 2010 \$'000	As at 30 September 2009 \$'000
ASSETS			
Current assets			
Cash and cash equivalents		217,740	296,797
Loans and receivables		1,188,661	2,045,323
Inventories		697,200	299,513
Derivative financial instruments		143,566	142,381
Other assets		54,444	42,800
Income tax receivable		27,033	19,708
Assets of disposal group classified as held for sale	3	138,221	214,706
Total current assets		2,466,865	3,061,228
Non-current assets			
Loans and receivables		19,205	1,256,478
Derivative financial instruments		30	34
Available-for-sale financial assets		5,420	5,069
Investments accounted for using the equity method		55,222	53,635
Intangible assets	13	421,028	421,969
Property, plant and equipment		172,750	157,717
Deferred income tax assets		97,059	103,052
Total non-current assets		770,714	1,997,954
Total Assets		3,237,579	5,059,182
LIABILITIES			
Current liabilities			
Trade and other payables		817,827	428,793
Interest-bearing loans and borrowings	15	956,494	3,405,120
Provisions		34,526	39,425
Derivative financial instruments		53,647	81,212
Other liabilities		3,154	1,128
Liabilities directly associated with the assets classified as held for sale	3	85,701	182,847
Total current liabilities		1,951,349	4,138,525
Non-current liabilities			
Provisions		3,161	2,641
Derivative financial instruments		4,131	845
Deferred income tax liabilities		12,032	12,225
Total non-current liabilities		19,324	15,711
Total Liabilities		1,970,673	4,154,236
Net assets		1,266,906	904,946
Equity			
Contributed equity		1,439,733	1,000,067
Reserves		(12,787)	(8,186)
Retained profits		(166,677)	(101,927)
Total parent entity interest		1,260,269	889,954
Non controlling interest		6,637	14,992
Total Equity attributable to the Group		1,266,906	904,946

AWB LIMITED
STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 MARCH 2010

	Consolidated	
	31 March	31 March
	2010	2009
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers	2,910,005	3,684,248
Payments to suppliers and employees	(3,086,654)	(3,488,195)
Borrowing costs paid	(106,885)	(122,590)
Dividends received	205	181
Income taxes paid	(10,710)	(24,124)
Interest received	98,938	141,262
Net cash flows from/(used in) operating activities	(195,101)	190,782
Cash flows from investing activities		
Payments for property, plant and equipment	(23,997)	(23,201)
Proceeds from the sale of Landmark Financial Services (LFS) loan and deposit books	2,204,909	-
Proceeds from sale of property, plant and equipment	1,166	311
Purchase of intangibles	(5,924)	(2,486)
Net cash flows from/(used in) investing activities	2,176,154	(25,376)
Cash flows from financing activities		
Receipts - grower payment products	116,015	64,897
Payments - grower payment products	(161,501)	(108,338)
Repayments of grower loans	127,246	308,664
Loans advanced to growers	(143,775)	(235,092)
Repayment of customer loans	949,871	1,301,909
Loans advanced to customers	(868,268)	(1,259,174)
Proceeds from issues of ordinary shares	439,666	11,150
Proceeds from/(repayments of) borrowings from related party (AWB Pools)	(153,852)	(342,259)
Proceeds from/(repayments of) borrowings	(2,067,896)	(129,040)
Proceeds from/(repayments of) interest bearing deposits	(308,959)	(50,785)
Dividends paid	-	(11,205)
Net cash flows from/(used in) financing activities	(2,071,453)	(449,273)
Net increase/(decrease) in cash held	(90,400)	(283,867)
Cash at the beginning of the half year	311,942	551,656
Cash at the end of the half year	221,542	267,789
	31 March	30 September
	2010	2009
	\$'000	\$'000
Reconciliation of cash and cash equivalents		
Cash and cash equivalent balances comprises:		
- cash at bank and on hand - continuing operations	217,740	296,797
- cash at bank and on hand - held for sale (refer note 3)	3,802	15,145
	221,542	311,942

AWB LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 MARCH 2010

CONSOLIDATED	Attributable to equity holders of the parent							Non controlling interest	Total equity
	Issued capital	Retained earnings	Staff share plan reserves equity component	Hedge reserve	Foreign currency translation reserve	Other reserves	Total		
At 1 October 2008	983,540	170,865	8,983	-	(16,068)	20,573	1,167,893	3,288	1,171,181
Currency translation differences	-	-	-	-	7,611	-	7,611	412	8,023
Cash flow hedge reserve	-	-	-	(1,176)	-	-	(1,176)	-	(1,176)
Available-for-sale revaluation	-	-	-	-	-	(863)	(863)	-	(863)
Total income and expense for the period recognised directly in equity	-	-	-	(1,176)	7,611	(863)	5,572	412	5,984
Profit/(loss) for the period	-	8,542	-	-	-	-	8,542	575	9,117
Total income/(expense) for the period	-	8,542	-	(1,176)	7,611	(863)	14,114	987	15,101
Share based payments	-	-	3,061	-	-	-	3,061	-	3,061
Appropriation to general legal reserve	-	-	-	-	-	-	-	7,121	7,121
Issue of share capital*	17,327	-	-	-	-	-	17,327	-	17,327
Equity dividends	-	(17,590)	-	-	-	-	(17,590)	-	(17,590)
At 31 March 2009	1,000,867	161,817	12,044	(1,176)	(8,457)	19,710	1,184,805	11,396	1,196,201

CONSOLIDATED	Attributable to equity holders of the parent							Non controlling interest	Total equity
	Issued capital	Retained earnings	Staff share plan reserves equity component	Hedge reserve	Foreign currency translation reserve	Other reserves	Total		
At 1 October 2009	1,000,067	(101,927)	13,338	-	(45,128)	23,604	889,954	14,992	904,946
Currency translation differences	-	-	-	-	(6,080)	-	(6,080)	(9,589)	(15,669)
Cash flow hedge reserve	-	-	-	-	-	-	-	-	-
Available-for-sale revaluation	-	-	-	-	-	(75)	(75)	-	(75)
Total income and expense for the period recognised directly in equity	-	-	-	-	(6,080)	(75)	(6,155)	(9,589)	(15,744)
Profit/(loss) for the period	-	(64,750)	-	-	-	-	(64,750)	1,234	(63,516)
Total income/(expense) for the period	-	(64,750)	-	-	(6,080)	(75)	(70,905)	(8,355)	(79,260)
Share based payments	-	-	1,554	-	-	-	1,554	-	1,554
Appropriation to general legal reserve	-	-	-	-	-	-	-	-	-
Issue of share capital**	439,666	-	-	-	-	-	439,666	-	439,666
Equity dividends	-	-	-	-	-	-	-	-	-
At 31 March 2010	1,439,733	(166,677)	14,892	-	(51,208)	23,529	1,260,269	6,637	1,266,906

* During the previous half year share capital has been issued to fund the dividend payment and dividend reinvestment.

** During the half year AWB has issued capital through a fully underwritten 1:1 accelerated non-renounceable pro rata entitlement offer and an institutional placement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The condensed half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the group as the full financial report.

The condensed half year financial report should be read in conjunction with the annual financial report of AWB Limited as at 30 September 2009.

It is also recommended that the condensed half year financial report be considered together with any public announcements made by AWB Limited and its subsidiaries (the group) during the half year ended 31 March 2010 in accordance with the continuous disclosure obligations arising under ASX Listing Rules.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$000) unless otherwise stated under the option available to the company under ASIC Class Order 98/100. The company is an entity to which the class order applies.

(a) Basis of preparation

The condensed half year consolidated financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, and AASB 134 "Interim Financial Reporting".

The condensed half year financial report has been prepared on a historical cost basis, except for derivative financial instruments, inventories held as commodity broker-trader, certain loans and receivables and available for sale financial assets that have been measured at fair value.

For the purpose of preparing the condensed half year financial report, the half year has been treated as a discrete reporting period.

(b) Significant accounting policies

The condensed half year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 September 2009 except for the adoption of the following new and amended accounting standards and the change of the presentation in the balance sheet from a liquidity basis to a current/non-current classification in accordance with *AASB 101(revised): Presentation of Financial Statements*. This is due to the sale of the Landmark Financial Services loan and deposit book during the half year ended 31 March 2010.

New Accounting Standards and Interpretation

The Group has adopted the following new and amended Australian Accounting Standards as of 1 October 2009:

(i) AASB 101 (revised 2007) Presentation of Financial Statements

The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented in a reconciliation of each component of equity and included in the new statement of comprehensive income. The statement of comprehensive income presents all items of recognised income and expenses, either in one single statement, or in two linked statements. The group has elected to present two statements.

(ii) AASB 8 Segment Reporting

AASB 8 requires the Group to report segments based on information that is internally provided to the Board of Directors and the management team who are the Group's chief operating decision makers.

Management has assessed the reportable segments and determined that there will not be significant changes to the segments previously reported under AASB 114 Segment Reporting.

(iii) AASB 127 (revised 2008) Consolidated and Separate Financial Statements

The revised Standard requires that a change in the ownership interest of a subsidiary (without a change in control) is to be accounted for as a transaction with owners in their capacity as owners. Therefore such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss in the statement of comprehensive income. Furthermore, the revised Standard changes the accounting for losses incurred by a partially owned subsidiary as well as the loss of control of a subsidiary. These changes will affect future acquisitions, changes in, and loss of control of, subsidiaries and transactions with non-controlling interests.

(c) Seasonality of operations

AWB Limited's results typically display an element of seasonality mainly due to the nature of products offered by the group.

AWB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2010

	Notes	Consolidated	
		31 March 2010 \$'000	31 March 2009 \$'000
2. REVENUES AND EXPENSES			
Profit for the half year from continuing operations before income tax expense includes the following specific items:			
(a) Revenue			
Sale of goods			
- other corporations		2,618,724	2,698,086
- related party (AWB Pools)	7	344,239	459,433
		<u>2,962,963</u>	<u>3,157,519</u>
(b) Other income			
Management fee revenue			
- related party (AWB Pools)	7	10,247	7,477
		<u>10,247</u>	<u>7,477</u>
Underwriting fees			
		2,497	3,197
Dividends			
- other persons/corporations		205	181
		<u>205</u>	<u>181</u>
Profit/(loss) on sale of non-current assets			
- property, plant and equipment		55	195
Other income			
		1,060	4,443
		<u>14,064</u>	<u>15,493</u>
Total other income			
(c) Finance income			
Finance income			
- financial institutions		10,497	17,742
- loans and advances		3,925	11,171
- related party (AWB Pools)	7	190	743
		<u>14,612</u>	<u>29,656</u>
(d) Other expenses			
Amortisation of non-current assets			
- other intangibles		3,785	5,076
Depreciation of non-current assets			
Total depreciation and amortisation expenses		10,485	9,309
		<u>14,270</u>	<u>14,385</u>
Employee benefit expenses			
		106,094	108,630
(e) Finance costs			
Interest expense			
- other persons/corporations		9,348	8,693
- interest and financing on derivatives		183	2,126
- related party (AWB Pools)	7	2,995	5,788
		<u>12,526</u>	<u>16,607</u>
Other finance costs			
- other persons/corporations		9,996	10,660
		<u>22,522</u>	<u>27,267</u>
(f) Significant items included in the income statement			
Sale of LFS loan and deposit book		(65,449)	-
Writedown of employee share loans		(3,500)	(1,726)
Settlement of Watson Class Action		(39,500)	-
Costs associated with "Oil-for-Food Inquiry" legacy issues		(6,525)	(8,037)
Mark to market of equity swaps		-	(8,778)
Strategic project costs		(1,670)	(3,380)
Restructuring costs		(467)	-
	4	<u>(117,111)</u>	<u>(21,921)</u>
(g) Income tax (expense)/benefit			
Income tax (expense)/benefit*		<u>7,310</u>	<u>(7,262)</u>

* The effective tax rate for the group moved from 16% at 31 March 2009 to 38% at 31 March 2010. The movement in the effective tax rate is driven by the relative proportion of the Group's earnings derived from overseas subsidiaries and the varying overseas taxation rates.

3. Discontinued Operations and assets held for sale

(a) Details of discontinued operations

In March 2010 the Group sold the Landmark Financial Services (LFS) Loan and Deposit books. The segment was not a discontinued operations or classified as held for sale as at 30 September 2009 and the comparative statement of comprehensive income has been re-presented to show the discontinued operation separately from continuing operations.

The Brazilian and Uruguay businesses (Brazil) and ELF Australia Pty Ltd investment (ELF) are also classified as discontinued operations. These were classified as discontinued as at 30 September 2009 as a result of the decision to sell these segments. These were not classified as discontinued as at 31 March 2009 and the comparative statement of comprehensive income has been re-presented to show the discontinued operations separately from continuing operations.

The Hi-Fert business (ELF's investment) is currently "held for sale" and is the subject of restructuring negotiations with the aim of maximising shareholder value.

(b) Financial performance of discontinued operations

CONSOLIDATED	31-Mar-10				31-Mar-09			
	Brazil \$'000	ELF \$'000	LFS Loan & Deposit Books \$'000	Total \$'000	Brazil \$'000	ELF \$'000	LFS Loan & Deposit Books	Total \$'000
Revenue	45,129	-	1,201	46,330	180,393	-	1,492	181,885
Cost of sales	(46,812)	-	7,688	(39,124)	(198,331)	-	(5,547)	(203,878)
Gross profit/(loss)	(1,683)	-	8,889	7,206	(17,938)	-	(4,055)	(21,993)
Finance revenue	5,197	-	79,129	84,326	5,226	-	105,452	110,678
Finance costs	(6,225)	-	(78,138)	(84,363)	(7,254)	-	(89,031)	(96,285)
Other income	-	-	2,363	2,363	25	-	3	28
Other expenses	(3,286)	-	(76,171)	(79,457)	(11,202)	-	(10,984)	(22,186)
Share of profit/(loss) of associates	(636)	-	-	(636)	-	(4,723)	-	(4,723)
Loss before income tax from discontinued operations	(6,633)	-	(63,928)	(70,561)	(31,143)	(4,723)	1,385	(34,481)
Income tax benefit/(expense)	168	-	18,679	18,847	6,269	-	(243)	6,026
Net loss for the period from discontinued operations	(6,465)	-	(45,249)	(51,714)	(24,874)	(4,723)	1,142	(28,455)

(c) Assets and liabilities held for sale

The major classes of assets and liabilities of the discontinued business at 31 March 2010 are as follows:

ASSETS	31-Mar-10				30-Sep-09		
	Brazil \$'000	ELF \$'000	LFS Loan & Deposit Books \$'000	Total \$'000	Brazil \$'000	ELF \$'000	Total \$'000
Cash and cash equivalents	3,802	-	-	3,802	15,145	-	15,145
Loans and receivables	68,391	-	-	68,391	130,401	-	130,401
Inventories	67	-	-	67	12,353	-	12,353
Derivative financial instruments	-	-	-	-	47	-	47
Other assets	64	-	-	64	20,048	-	20,048
Investments accounted for using the equity method	6,893	10,740	-	17,633	-	10,740	10,740
Intangible assets	-	-	-	-	104	-	104
Property, plant and equipment	1,089	-	-	1,089	12,726	-	12,726
Deferred income tax assets	-	13,116	34,059	47,175	26	13,116	13,142
Assets classified as held for sale	80,306	23,856	34,059	138,221	190,850	23,856	214,706
LIABILITIES							
Trade and other payables	84,022	-	500	84,522	151,653	-	151,653
Interest-bearing loans and borrowings	-	-	-	-	28,018	-	28,018
Provisions	1,179	-	-	1,179	3,176	-	3,176
Liabilities directly associated with assets held for sale	85,201	-	500	85,701	182,847	-	182,847
Net assets held for sale	(4,895)	23,856	33,559	52,520	8,003	23,856	31,859

AWB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2010

4. SEGMENT INFORMATION

The group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors and the management team ("the chief operating decision makers") in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on the manner in which the product is produced and services provided. Discrete financial information about each of these operating businesses is reported to the the chief operating decision makers on at least a monthly basis.

Intersegment pricing is determined on an arm's length basis. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Business segments

The group comprises the following main business segments, based on the group's management reporting system:

31 March 2010

	Continuing operations					Total	Discontinued operations			Intersegment eliminations	Total Operations	
	Pool Management & Harvest Finance	Grain Marketing	Logistics & Other Investments	International Commodity Management	Rural Services	Other/ Corporate	International Commodity Management (Brazil)	ELF Australia Pty Ltd	Landmark Financial Services loan and deposit books			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Revenue												
External segment revenue	161,308	715,751	107,060	1,159,370	821,253	26,897	2,991,639	50,326	-	82,693	-	3,124,658
Intersegment revenue	84	39,194	24,052	6,568	(303)	63,783	133,378	-	-	(133,378)	-	-
Total consolidated revenue	161,392	754,945	131,112	1,165,938	820,950	90,680	3,125,017	50,326	-	82,693	(133,378)	3,124,658
Total consolidated revenue consists of:												
Revenue							2,962,963	45,129	-	1,201	-	3,009,293
Finance income							14,612	5,197	-	79,129	-	98,938
Other income							14,064	-	-	2,363	-	16,427
Total consolidated revenue							2,991,639	50,326	-	82,693	-	3,124,658
Results												
Underlying EBITDA*	7,888	(702)	10,722	19,693	20,181	(6,509)	51,273	(4,927)	-	3,059	-	49,405
Share of associates profits	-	-	2,324	-	4,744	-	7,068	(636)	-	-	-	6,432
Total underlying EBITDA	7,888	(702)	13,046	19,693	24,925	(6,509)	58,341	(5,563)	-	3,059	-	55,837
Depreciation & amortisation	-	-	(4,752)	(116)	(3,641)	(4,842)	(13,351)	(320)	-	(517)	-	(14,188)
Underlying EBIT	7,888	(702)	8,294	19,577	21,284	(11,351)	44,990	(5,883)	-	2,542	-	41,649
Corporate net interest expense	-	-	-	-	-	(12,204)	(12,204)	(1,022)	-	(985)	-	(14,211)
Profit before tax and significant items	7,888	(702)	8,294	19,577	21,284	(23,555)	32,786	(6,905)	-	1,557	-	27,438
Significant items	-	-	-	-	-	(51,662)	(51,662)	-	-	(65,449)	-	(117,111)
Segment result	7,888	(702)	8,294	19,577	21,284	(75,217)	(18,876)	(6,905)	-	(63,892)	-	(89,673)
Income tax expense	-	-	-	-	-	-	7,310	168	-	18,679	-	26,157
Profit attributable to non controlling interest	-	-	(63)	-	(1,171)	-	(1,234)	-	-	-	-	(1,234)
Profit attributable to members of the parent							(12,800)	(6,737)	-	(45,213)	-	(64,750)

31 March 2009

	Continuing operations					Total	Discontinued operations			Intersegment eliminations	Total Operations	
	Pool Management & Harvest Finance	Grain Marketing	Logistics & Other Investments	International Commodity Management	Rural Services	Other/ Corporate	International Commodity Management (Brazil)	ELF Australia Pty Ltd	Landmark Financial Services loan and deposit books			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Revenue												
External segment revenue	184,787	1,064,510	175,551	964,596	802,170	11,054	3,202,668	185,644	-	106,947	-	3,495,259
Intersegment revenue	853	169,148	28,466	12,969	(1,920)	174,701	384,217	-	-	(384,217)	-	-
Total consolidated revenue	185,640	1,233,658	204,017	977,565	800,250	185,755	3,586,885	185,644	-	106,947	(384,217)	3,495,259
Total consolidated revenue consists of:												
Revenue							3,157,519	180,393	-	1,492	-	3,339,404
Finance income							29,656	5,226	-	105,452	-	140,334
Other income							15,493	25	-	3	-	15,521
Total consolidated revenue							3,202,668	185,644	-	106,947	-	3,495,259
Results												
Underlying EBITDA*	5,937	29,941	12,254	26,776	17,385	(2,745)	89,548	(22,314)	-	10,719	-	77,953
Share of associates profits	-	-	2,091	-	1,646	-	3,737	-	(4,723)	-	-	(986)
Total underlying EBITDA	5,937	29,941	14,345	26,776	19,031	(2,745)	93,285	(22,314)	(4,723)	10,719	-	76,967
Depreciation & amortisation	-	-	(4,199)	(95)	(4,134)	(4,838)	(13,266)	(1,119)	-	(617)	-	(15,002)
Underlying EBIT	5,937	29,941	10,146	26,681	14,897	(7,583)	80,019	(23,433)	(4,723)	10,102	-	61,965
Corporate net interest expense	-	-	-	-	-	(23,965)	(23,965)	(1,445)	-	(4,281)	-	(29,691)
Profit before tax and significant items	5,937	29,941	10,146	26,681	14,897	(31,548)	56,054	(24,878)	(4,723)	5,821	-	32,274
Significant items	-	-	-	-	-	(21,921)	(21,921)	-	-	-	-	(21,921)
Segment result	5,937	29,941	10,146	26,681	14,897	(53,469)	34,133	(24,878)	(4,723)	5,821	-	10,353
Income tax expense	-	-	-	-	-	-	(7,262)	6,269	-	(243)	-	(1,236)
Profit attributable to non controlling interest	-	-	(219)	8	(1,322)	-	(1,533)	958	-	-	-	(575)
Profit attributable to members of the parent							25,338	(17,651)	(4,723)	5,578	-	8,542

* EBITDA includes interest margin earned on financial services products and other interest revenue amounts that are not related to fundir

The amounts above are presented on a management reporting basis and will differ to the income statement and note 3, due to differences in the allocation of overhead costs and foreign exchan

AWB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2010

5. DIVIDENDS

	31 March	31 March
	2010	2009
	\$'000	\$'000
(a) Dividends declared and paid during the half year:		
- Final franked dividend: nil (2009: 5 cents per share)	-	17,590

AWB offers shareholders a dividend reinvestment plan ("DRP"). The DRP for dividends paid during the period enabled ordinary shareholders to reinvest all or part of their dividend in additional shares at a discount of 2.5%.

No dividends were declared for the 31 March 2010 half year end.

6. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Name	%	Contribution to net profit	
		31 March	31 March
		2010	2009
		\$'000	\$'000
Arcadian Wool Brokers Limited	40	119	119
AWH Pty Ltd (formerly Wooldumpers Australia Pty Ltd)	50	2,551	1,824
Five Star Flour Mills Company SAE (FSFM)	30	1,840	1,984
Five Star Feed Mills and Animal Production Company SAE	(i)	485	107
RD1 Limited	50	2,184	(91)
Farmerequip Pty Ltd	50	(48)	(1)
Genstock Pty Ltd	50	37	(206)
Regional Infrastructure Pty Ltd (RIPL)	50	48	-
HRZ Wheats Pty Ltd	30	(148)	-
		<u>7,068</u>	<u>3,736</u>

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

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

7. RELATED PARTY DISCLOSURES

	Notes	Consolidated	
		31 March 2010 \$'000	31 March 2009 \$'000
Transactions with related parties			
Borrowing costs expensed			
- related party (AWB Pools)	2(e)	2,995	5,788
Revenue from sale of goods			
- related party (AWB Pools)	2(a)	344,239	459,433
Purchases from related party (AWB Pools)		162,984	275,498
Purchases from associates		32,392	26,344
Management fee revenue			
- related party (AWB Pools)	2(b)	10,247	7,477
Interest revenue			
- related party (AWB Pools)	2(c)	190	743

Terms and conditions

Interest is charged or credited on amounts with AWB Limited at prevailing commercial interest rates. All other transactions within the AWB Limited group are based on actual amounts incurred or received and are conducted on commercial terms and conditions.

	31 March 2010 \$'000	30 September 2009 \$'000
Outstanding balances arising from sales/purchases of goods and services		
The following balances are outstanding at the reporting date in relation to transactions with related parties:		
Current receivable from		
- related party (AWB Pools)	183,149	125,509
- associates	14,305	14,305
Current payable to		
- related party (AWB Pools)	290,760	348,235

No provision has been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or doubtful debts due from related parties.

8. CONTINGENT LIABILITIES

	31 March 2010 \$'000	30 September 2009 \$'000
Claims		
Several claims have been lodged against AWB Limited and its controlled entities which denied liability and is defending the claims. The maximum amount is estimated to be:	11,152	11,939

Indemnities

The parent entity had contingent liabilities at 31 March 2010 in respect of indemnities given by AWB Limited to AWB (International) Limited against possible costs incurred by AWB (International) Limited arising in relation to proceedings under the Oil-for-Food Inquiry. This indemnity may give rise to liabilities in the parent entity in the event that AWB (International) Limited incurs an indemnified liability. Any possible liabilities cannot be quantified at the date of this report.

Commitments

At 31 March 2010 the Group had commitments of \$20.578 million (30 September 2009 \$12.846 million).

9. SUBSEQUENT EVENTS

There are no subsequent events which are likely to have a material effect on the entity's financial statements.

10. LEGAL ACTIONS

The resultant impact, if any, on the financial position of AWB Limited arising directly and indirectly from the remaining legal actions remains inherently uncertain and therefore not reflected in this report.

Mastafa and Ismail Claim

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 refuses 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 replead its case against AWB (USA) Limited. No such repleading has been filed to date.

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 Oil-for-Food (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.

The trial commenced on 6 February 2010 but settled prior to the opening of the defendant's case on 13 February 2010 by AWB agreeing to pay the class participants \$39.5 million inclusive of costs and interest, with no admission of liability. The Federal Court made orders approving the settlement on 27 April 2010 and the matter has been dismissed.

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 three 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 three 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 US 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 Programme, 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 Programme 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 were filed in January 2010. On 30 April 2010, the plaintiff filed its Opposition to the Defendants' Motion to Dismiss. The defendants' reply papers are due to be filed by 22 June 2010.

11. OIL FOR FOOD INQUIRY

Following the Report of the Commission of Inquiry in relation to the United Nations Oil For Food Program, the Australian Securities and Investments Commission (ASIC) issued civil proceedings against two former directors and four former employees of AWB Limited. AWB's only interests in these matters arises from an agreement to indemnify the former officers for reasonable legal costs in certain circumstances and these are expensed as incurred.

At the date of this report no legal action has been commenced by ASIC against AWB Limited or any of its subsidiaries.

12. 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 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 paid USD25.5m to Standard Chartered Bank plc in 2009 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 reduced the provision to nil.

13. INTANGIBLE ASSETS

	31 March 2010	30 September 2009
	\$'000	\$'000
Landmark goodwill	395,917	395,917
Other	25,111	26,052
	<u>421,028</u>	<u>421,969</u>

Goodwill is not amortised but is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's objective for holding financial instruments has remained unchanged since 30 September 2009. The main risks identified at 30 September 2009 remain unchanged and are interest rate risk, foreign currency exchange risk, commodity price risk, liquidity risk and credit risk. The details for the significant accounting policies and methods adopted are disclosed in Note 1 to the annual financial statements for the year ended 30 September 2009. The details on exposures to financial instruments and the risk management policies are disclosed in Note 33 to the annual financial statements for the year ended 30 September 2009. All instruments used and policies applied remain consistent as at 31 March 2010. A detailed listing of liquidity facilities available to the group as at 31 March 2010 is provided in Note 15 of this report.

AWB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2010

15. FINANCING ARRANGEMENTS

AWB Group's overall position regarding financing can be summarised as follows:

- Current assets are matched to short term facilities.

Financing activities

- AWB financing activity - working capital financing (including seasonal financing, inventory financing and receivables securitisation).
- AWB's strategy is to diversify funding sources to minimise costs and broaden funding and liquidity options.
- In light of the diverse business mix in the Group, AWB borrows for specific purposes to minimise its cost and maximise effectiveness.

Capital Structure

The AWB Group's borrowings are primarily driven by two core activities being the provision of:

- Finance and payments to growers delivering wheat to the AWB Pool through AWB Harvest Finance; and
- Working capital to AWB Group companies encompassing Landmark, domestic and offshore operations.

A summary of committed debt and other funding facilities available to the group by business segment as at the half year end balance date is detailed as follows:

2010

Rural Services/Australian Commodity Management

Committed credit facilities	Ref	Currency	Facility Limit \$'000	Facility Maturity	Utilisation \$'000
AWBCF – Syndicated Bank Facility	(1)	AUD	\$150,000	Oct-11	-
AWB Australia – Committed Inventory Financing Facility		AUD	\$80,000	Dec-10	80,000
AWB Australia – Committed Inventory Financing Facility		AUD	\$75,000	Nov-10	75,000
AWB Australia – Committed Inventory Financing Facility		AUD	\$45,000	Apr-10	45,000
Rural Trade Receivables Trust - Committed Securitisation Program Limit		AUD	\$250,000	Oct-10	250,000

Harvest Finance

Committed credit facilities	Ref	Currency	Facility Limit \$'000	Facility Maturity	Utilisation \$'000
AWB Harvest Finance – Committed Inventory Financing Facility	(2)	AUD	\$100,000	Dec-10	90,000
AWB Harvest Finance – Committed Inventory Financing Facility	(2)	AUD	\$150,000	Nov-10	78,300
AWB Harvest Finance – Committed Inventory Financing Facility	(2)	AUD	\$100,000	Nov-10	-
AWB Harvest Finance – Committed Inventory Financing Facility	(2)	AUD	\$45,000	Nov-10	-

Other funding platforms	Ref	Currency	Facility Maturity	Utilisation \$'000
Related Party Loans - AWB National Pools		AUD	At Call	54,266

AWB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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International Commodity Management

Uncommitted/ committed credit facilities	Ref	Currency	Facility Limit \$'000	Facility Review	Utilisation \$'000
Offshore - Working Capital Financing Facilities		AUD equivalent	\$613,156	Annual	275,769

Groupwide

Other funding platforms	Ref	Currency	Facility Maturity	Utilisation
Accrued Interest & Other		AUD		8,160
Grand Total				956,494

(1) The \$150 million Syndicated Loan Facility (Multicurrency Revolving Facility) is a general corporate purpose loan facility provided by four banks to AWB Commercial Funding (AWBCF).

(2) To fund its operations for the current season, AWB Harvest Finance has completed 4 committed inventory financing facilities, which had total limits of \$395 million. Since establishment of these facilities, management has elected to terminate/reduce these facility commitments in line with revised post harvest AWB Harvest Finance external funding requirements.

2009

Landmark Financial Services

Committed credit facilities	Ref	Currency	Facility limit \$'000	Facility maturity	Utilisation \$'000
Rural Loan CP Warehouse Trust -November 2009 Tranche		AUD	500,000	November 2009	
Rural Loan CP Warehouse Trust -May 2010 Tranche		AUD	1,490,320	May 2010	
Rural Loan CP Warehouse Trust -November 2010 Tranche		AUD	234,480	November 2010	
Rural CP Warehouse Trust - Securitisation Program Limit Total Facility	(1)	AUD	2,224,800	as above	2,024,053
Rural Warehouse Trust #1 – Bank Facilities	(1)	AUD	165,000	May 2010	118,434
Landmark - Stocklease Finance Securitisation Facility		AUD	30,000	July 2010	11,527

Other funding platforms	Ref	Currency	Facility maturity	Utilisation \$'000
Landmark - Unsecured deposit notes		AUD	At Call & Various Terms to August 2011	308,958

Rural Services/Australian Commodity Management

Committed credit facilities	Ref	Currency	Facility limit \$'000	Facility maturity	Utilisation \$'000
AWBCF – Syndicated Bank Facility	(2)	AUD	400,000	October 2009	31,153
AWB Australia – Committed Inventory Financing Facility		AUD	120,000	December 2009	82,235
Rural Trade Receivables Trust - Committed Securitisation Program Limit	(3)	AUD	280,000	October 2009	150,000

Uncommitted credit facilities	Ref	Currency	Facility limit \$'000	Facility Review	Utilisation \$'000
AWB Australia – Uncommitted Inventory Financing Facility		AUD	60,000	November 2009	-

AWB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2010

Harvest Finance

Committed credit facilities	Ref	Currency	Facility limit \$'000	Facility maturity	Utilisation \$'000
AWB Harvest Finance – Committed Inventory Financing Facility		AUD	157,500	November 2009	-

Other Funding Platforms	Ref	Currency	Facility maturity	Utilisation \$'000
Related Party Loans - AWB Pools		AUD	At Call	318,781

International Commodity Management

Uncommitted/ committed credit facilities	Ref	Currency	Facility limit \$'000	Facility review	Utilisation \$'000
Offshore - Working Capital Financing Facilities		AUD equivalent	692,194	Annual	355,708

Groupwide

Other funding platforms	Ref	Currency	Facility limit \$'000	Facility review	Utilisation \$'000
Accrued Interest & Other		AUD			4,272
Grand Total - continuing operations					3,405,120

The following facility is included in discontinuing operations (refer note 3):

International Commodity Management

Uncommitted/ committed credit facilities	Ref	Currency	Facility limit \$'000	Facility review	Utilisation \$'000
Offshore - Working Capital Financing Facilities		AUD equivalent	692,194	Annual	28,018

(1) The Rural Loan CP Warehouse Trust (CPWT) securitisation program funds the majority of the Landmark Financial Services loan book through the issuance of commercial paper and/or liquidity backstop facilities provided by banks. The remainder of the Landmark Financial Services loan book is funded through the Rural Warehouse Trust No 1 (RWT) which is a bank funded warehouse structure. In both programs, the recourse to AWB is limited to the level of its First Loss Note and subordinated loan investments into the trusts.

The \$2.2 billion Rural Loan CP Warehouse Trust and liquidity and LC facilities were renegotiated and extended during the second half of 2009 with varying terms out to November 2010. As part of this renegotiation the total programme limit was reduced by \$120 million to \$2.2 billion. The first maturity due is the \$500 million tranche maturing on 19th November 2009, which the banks have agreed to extend to May 2010.

The \$165 million Rural Warehouse Trust #1 facility was renegotiated and extended during the second half of 2009 to May 2010. As part of this renegotiation, the facility limit was reduced from \$250 million to \$165 million.

(2) The \$400 million syndicated loan facility is a general corporate purpose loan facility provided by four banks to AWB Commercial Funding (AWBCF). This facility terminated on 12th October 2009 and has been replaced by a \$150 million Multi-currency Revolving Credit Facility provided by the same four banks. This is a two-year facility maturing in October 2011.

(3) The Rural Trade Receivables Trust has been extended for a further 12-month period at a lower program limit of \$250 million. This facility now expires in October 2010.

AWB LIMITED
DIRECTORS' DECLARATION

In the directors' opinion

(a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the financial position as at 31 March 2010 and the performance for the half year ended on that date of the consolidated entity; and

(ii) comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

On behalf of the Board



Peter Polson
Chairman



Gordon Davis
Managing Director

Melbourne
19 May 2010

To the members of AWB Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of AWB Limited, which comprises the balance sheet as at 31 March 2010, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 March 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of AWB Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of AWB Limited is not in accordance with the *Corporations Act 2001*, including:

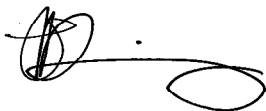
- i) giving a true and fair view of the consolidated entity's financial position as at 31 March 2010 and of its performance for the half-year ended on that date; and
- ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of Matter - Inherent Uncertainty

Without qualification to the review opinion above, attention is drawn to Note 10 of the half-year financial report. We note that there is inherent uncertainty surrounding the consolidated entity with regard to remaining legal actions arising from transactions under the United Nations Oil-For-Food Programme (the "Oil-For-Food Programme"). As the impact on the operations arising from the remaining legal actions has not yet been fully determined, there is uncertainty as to the resultant impact, if any, on the financial position, financial performance and cash flows of the consolidated entity and its operations arising directly or indirectly from transactions under the Oil-For-Food Programme. The potential financial effects, if any, arising from these remaining legal actions are not contained in this financial report.



Ernst & Young



T M Dring
Partner
Melbourne

19 May 2010

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