

Finance

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ABB Grain Ltd ABN 59 084 962 130

Performance by segment



	EBIT			NPBT			Comments
	2008 A\$m	2007 A\$m	Var A\$m	2008 A\$m	2007 A\$m	Var A\$m	
Supply Chain	15.8	7.4	8.4	16.4	7.5	8.9	Higher grain volumes, but low carry over stocks
Grain Marketing	65.9	10.3	55.6	35.1	(10.4)	45.5	Higher volumes and margins
Malt Manufacture	35.8	29.5	6.3	34.3	30.0	4.3	Higher margins despite higher barley / logistics costs
Rural Services	12.0	5.2	6.8	3.9	1.0	2.9	First full year, strong fertiliser margins
Other	(19.8)	(17.3)	(2.5)	(18.8)	(17.2)	(1.6)	
Total	109.7	35.1	74.6	70.9	10.9	60.0	

Five year summary

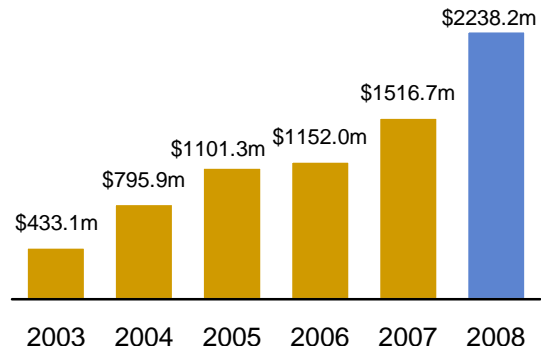


A\$m	2004	2005	2006	2007	2008
Revenue	745.9	1,101.3	1,152.0	1,516.7	2,238.2
EBITDA	45.6	107.4	138.6	65.9	141.3
EBIT	43.8	76.9	109.5	35.1	109.7
NPBT	26.5	59.4	95.1	10.9	70.9
NPAT	17.1	41.7	66.7	7.3	48.8
EPS (cps)	34.6	29.8	47.1	4.9	31.2
DPS (cps)	40.0	17.0	30.0	10	21
Equity	797.2	816.1	880.1	899.3	1,110.9
Net Debt	247.1	199.4	384.8	429.5	361.8
Gearing	24%	20%	30%	32%	25%

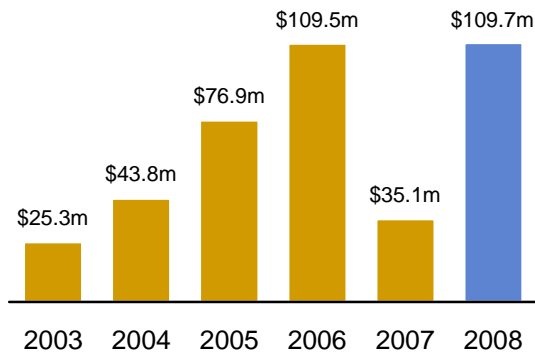
Overall financial performance (A\$m)



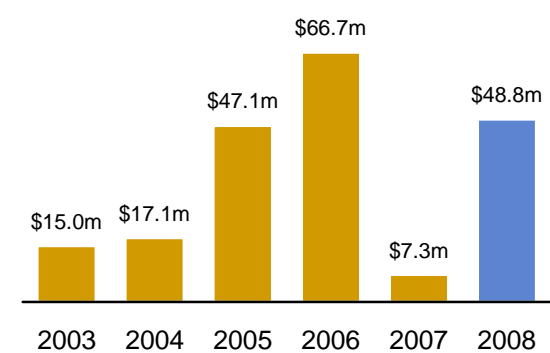
Revenue



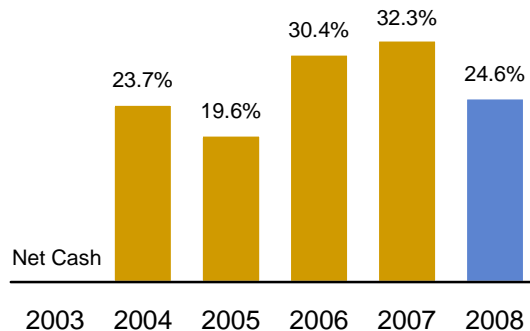
EBIT



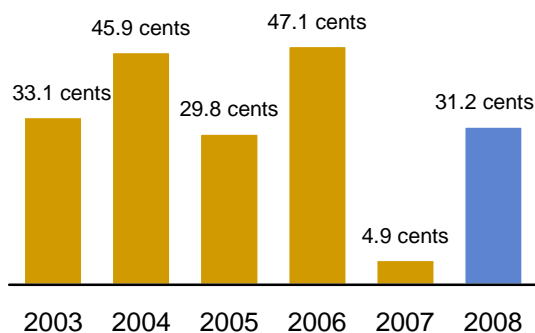
NPAT



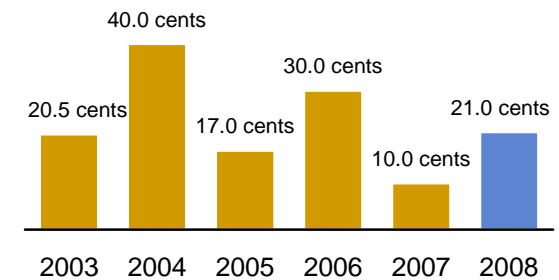
Gearing¹



EPS²



DPS³



- 1 Gearing = Net Debt / Net Debt + Equity
- 2 Before amortisation of goodwill and significant items
- 3 Includes interim, final and special dividends

Risk Management

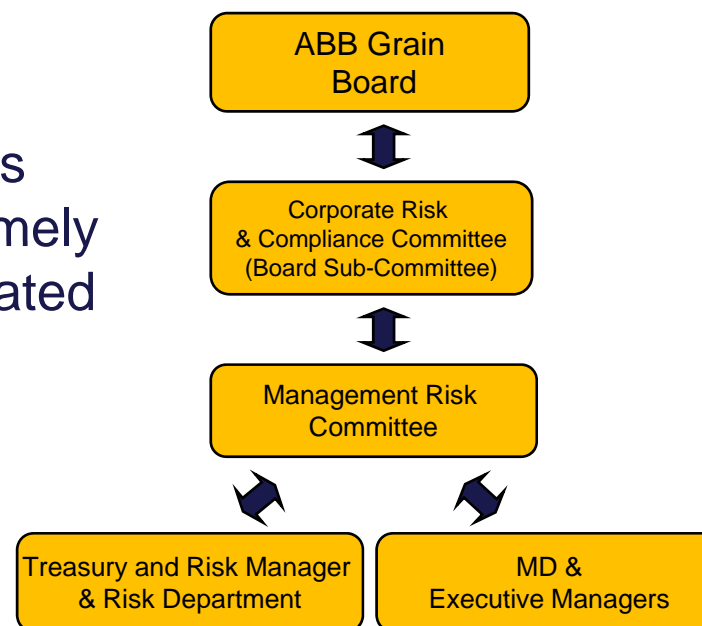


ABBs Reporting Framework

- ABB's Risk Reporting framework ensures risk exposures are communicated in a timely fashion and concerns are properly escalated to the appropriate level of management
- Commodity Risk is reported under a comprehensive framework based on:

Timeliness

- ABB Marketing hold weekly strategy meetings at the divisional level, and produce a weekly summary document of strategy and market update for the Executive Risk Committee
- Position reports are generated daily and distributed to traders and staff



Risk Management



Independence

- Position reports are generated by the corporate risk group independent of ABB Marketing
- Mark-to-Market reports are generated regularly by Finance

Accountability

- Risk Reports are reviewed weekly by the Executive Risk Management Committee
- The Corporate Risk and Compliance Committee (a Board Sub-Committee) discusses position and Mark-to-Market results at their quarterly meetings
- The ABB Board receives Mark-to-Market results monthly

Commodity Risk management



- ABBs Risk Management Tools

Value-at-Risk

- An overall Value-at-Risk exposure limit exists for the ABB Group portfolio, and individual business divisions
- VaR is calculated weekly, using a Monte-Carlo, 95% confidence, 1 week model updated with weekly price data across a 12 month horizon

Position Limits and Monitoring

- Tonnage limits exist for each traded commodity.
- Limits are monitored for long and short positions in ABB commodity portfolios for all key sources of commodity trading price risk - Flat price risk, basis risk and spread risk

Capital Management



- Working Capital is rationed between Business Units
 - Limits set for peak / average / year end
 - Limits are hard / enforced
 - If grain prices are high, volumes will be lower
 - If grain prices are low, volumes can be higher
- Monitored weekly by Executive Working Capital committee
- Reported to Board each month – Working capital by Business Unit

Funding Structure



- A syndicated facility forms the foundation of ABB Grain Ltd corporate funding
 - Core Debt A\$800m expires 31 July 2011
 - Seasonal Debt A\$400m expires 31 July 2009
 - Total Facility A\$1,200m
 - Financed by 6 banks, including 4 Australian majors
- Negotiating to extend seasonal facilities
- Conservative view of debt management helps maintain liquidity and funding flexibility
 - 2009 seasonal peak debt less than A\$700m
 - Leaving headroom in excess of A\$500m

Thank you
Questions?

