Company announcement

GrainCorp Limited ABN 60 057 186 035

Date: Tuesday, 14 September 2010

To: The Manager

Announcements

Company announcements office

PUBLIC ANNOUNCEMENT

GRAINCORP PRESENTATION TO THE

2010 BBY AGRICULTURE, CLEANTECH & ENERGY CONFERENCE

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BBY ACE Conference – 14 September 2010

GRAINCORP MALT – UPDATE

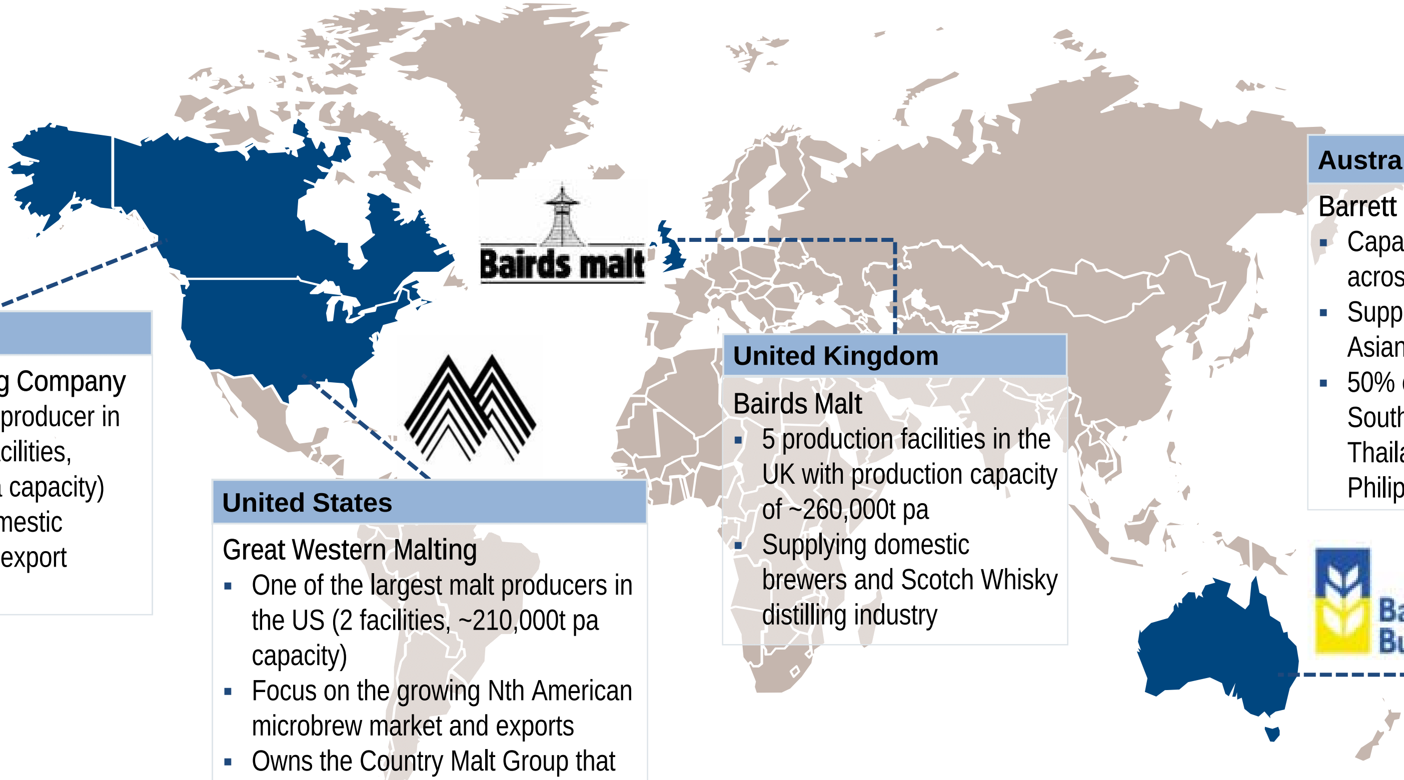
Ian Wilton – President and Chief Executive – GrainCorp Malt
Angelo Di Petta – President – Barrett Burston Malting

Today's presentation will cover...

- Update on integration progress
- Overview of international malt market fundamentals
- GrainCorp Malt's response to international market dynamics
- Development, efficiency and sustainability initiatives

GrainCorp Malt's diversified footprint

- Four operating companies across Canada, the US, UK and Australia
- 15 plants – total capacity approx. 1.2 mmt[1]
- Blue chip customer base – short and long term supply relationships



Canada

Canada Malting Company

- Largest malt producer in Canada (3 facilities, ~450,000t pa capacity)
- Servicing domestic brewers and export markets

United States

Great Western Malting

- One of the largest malt producers in the US (2 facilities, ~210,000t pa capacity)
- Focus on the growing Nth American microbrew market and exports
- Owns the Country Malt Group that distributes ingredients and materials to the microbrew market

United Kingdom

Bairds Malt

- 5 production facilities in the UK with production capacity of ~260,000t pa
- Supplying domestic brewers and Scotch Whisky distilling industry

Australia

Barrett Burston Malting

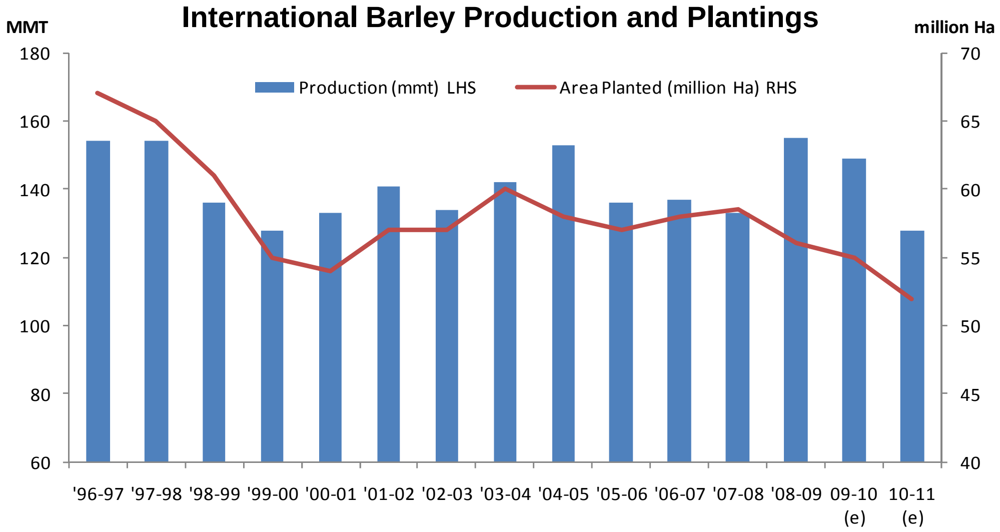
- Capacity of ~270,000t pa across 5 production facilities[1]
- Supplying malt to domestic and Asian brewers
- 50% of production exported to South Korea, Vietnam, Thailand, Japan and the Philippines

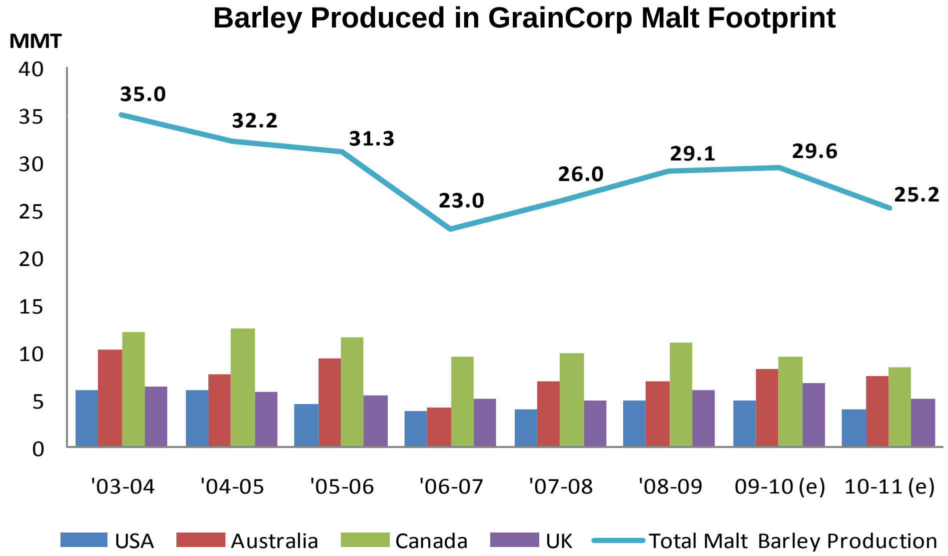
(1) Includes 85,000t pa Pinkenba facility currently under development

Integration is well progressed and on track

Priority	Progress Update
Integration Approach	• Implement controls, policies and systems • Maintain well established independent brands
Integration Activities	• Management appointments including Ian Wilton (President and CEO – GrainCorp Malt), John Holliday (President – Canada Malting Company) and Gabe Vider (CFO – GrainCorp Malt) • Common IT platform • Communication and reporting systems in place • Omaha corporate office closed • Finance and support services transferred to Vancouver (WA) and Sydney
Business Activities	• No 'surprises' – quality of assets, sales volumes, customer relationships • Arbroath open, Pinkenba on track and Vancouver (WA) underway • Focus on customer relationships and production efficiencies • Building a solid foundation for further growth

International barley supply trending lower





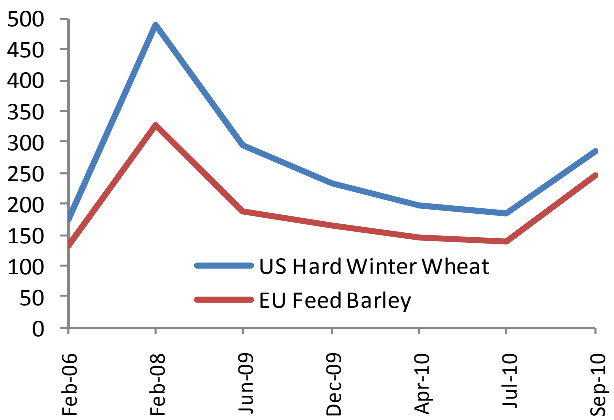
- **Lower 2010-2011 plantings** due to early season price signals and adverse weather
- **Lower estimated 2010-2011 production**
  - 14% internationally
  - 19% in the US
  - 23% in the UK
  - 12% in Canada
  - 8% in Australia

- Approx. 20% of total barley production in **operational footprint**
- Each operating region is **net exporter of barley and malt**
- Reliable **barley supply**
- Greater **malt supply certainty for customers**

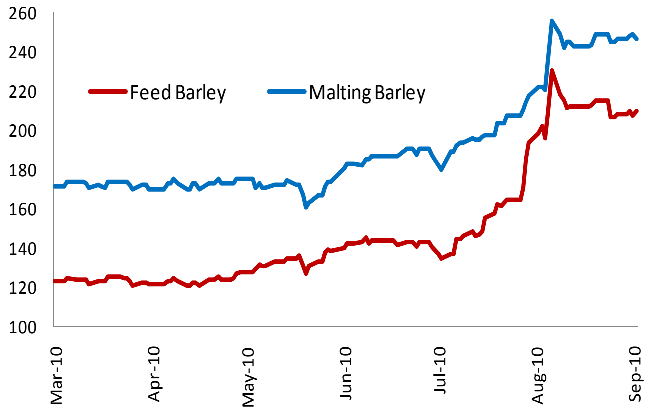
Source: USDA

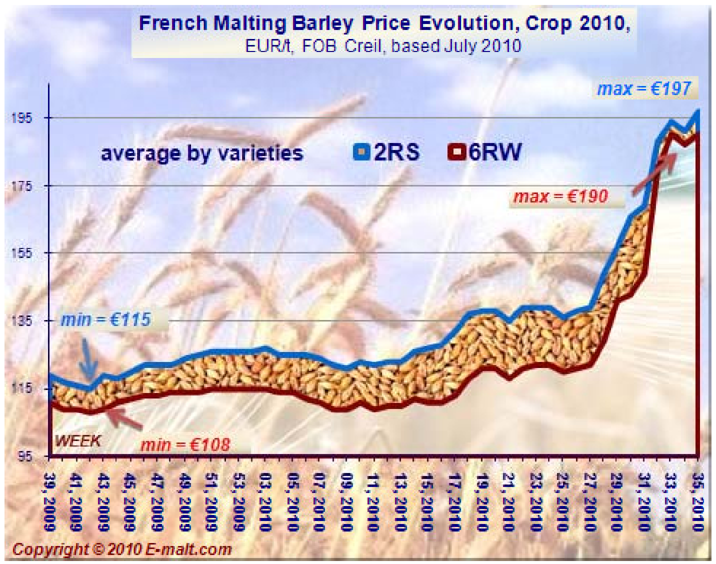
Malting barley price recently higher

Market Price Movements (US$/t)



FOB Geelong Barley Prices (€/t)



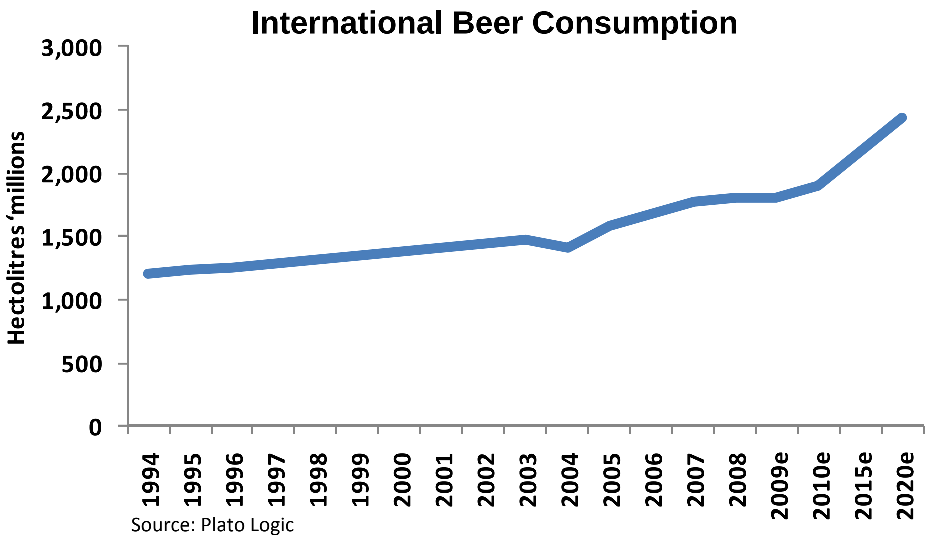


- **Malting barley prices increased** 45% to €197t in the 3 months to 31-Aug-10
- **Supply concerns** in central and western Europe
- Crop losses in Russia, especially feed markets
- Forecast 2010-2011 **new season volumes** also a factor

- Variations in malting barley price affect malt customer's willingness to **negotiate malt supply agreements**
- Malt margins will continue to be affected by **annual supply/demand factors**
- Trend is to more **supply risks** than demand
- Hence customers will want to "**lock in**" supply at reasonable margins

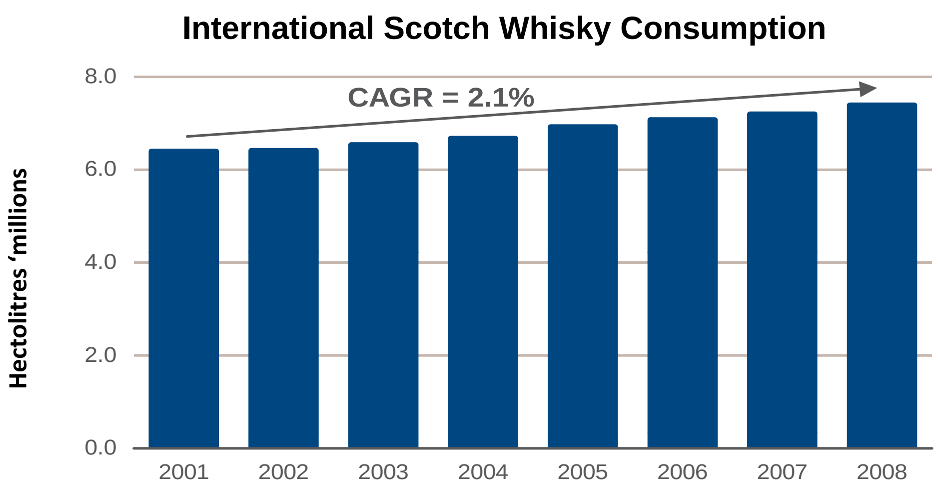
Source: e-malt and GrainCorp

Rising international consumption



Source: Plato Logic

- **~95%** of malt is used for beer production
- International beer **consumption has grown steadily** over the past 15 years
- Forecast to **rise in the next 10 years**
- **Growth markets**
  - South East Asia
  - South America



Source: Datamonitor

- Scotch whisky is the **second largest malt market**
- International Scotch whisky consumption **grew steadily** in the period 2001-2008
- Average annual growth rate of 2.1%
- **Demand recovering** in 2010 after a GFC related decline in 2009

International malt production capacity

- International malt production capacity of ~25 mmt
- Malt demand of ~22 mmt
- International capacity utilisation of 85%
  - Excess capacity predominantly in Europe and China

Europe

- ~40% of international production and ~55% of world trade
- ~160 malting companies including large international players (Malteurop, Souflett) and a significant number of smaller, family owned enterprises
- Smaller less efficient malt plants are being rationalised

China

- Expanding beer market
- ~95% of malt is produced to service the local market
- Possible growth of malt exports

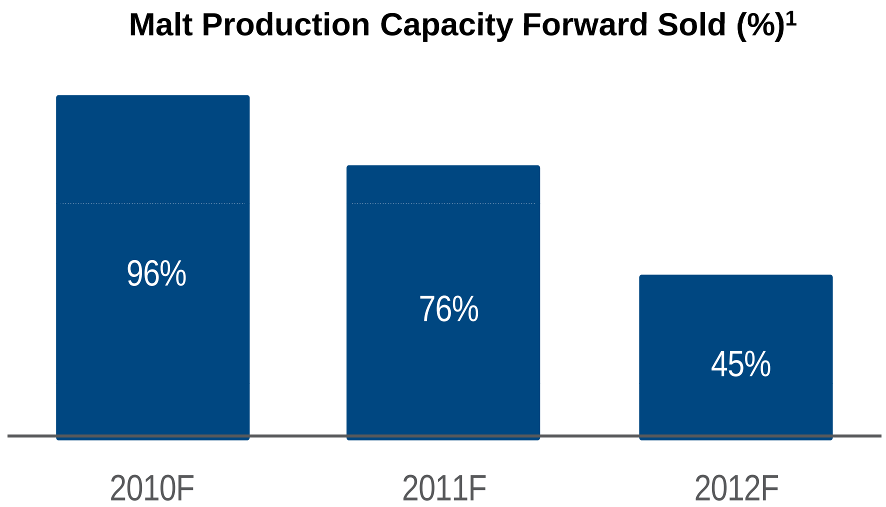
Source: Euromalt, E-malt

GrainCorp Malt's strategic response

Certainty of Supply	Providing certainty of supply through **short and long-term supply agreements** and **production located in malt barley growing regions**
Customer Relations	Maintain **long term customer relationships** and technical interaction
Diversify Sales	New products tailored to meet individual **customer requirements**
Production Efficiency	Energy and water **efficiency and sustainability initiatives**
Risks	**Manage risks** through hedging and procurement strategies

Provide certainty of supply

- Market trends encourage customers to seek **quality and tonnage supply certainty**
- Relationships with customers are **on-going** – not just focused on ‘sales’
- Involves significant levels of quality **focused technical interaction**
- To reduce price risk some contracts **pass-through** barley price risk to customer
- Hedging policies **minimise exposure** to barley price risk and other input costs



1. Includes Pinkenba capacity in 2011 and 2012

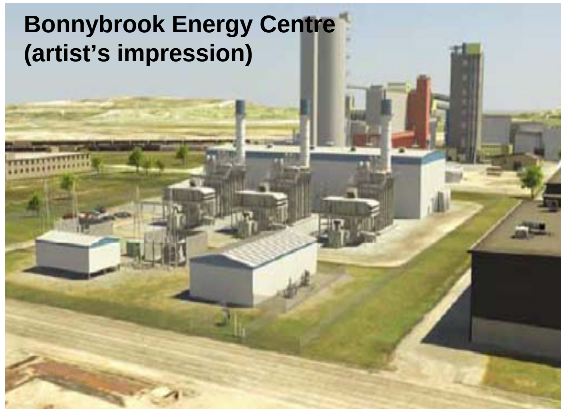
Customer relationships and diversity of sales

- **Reputation for producing high quality malt** that meets customers' product specifications and supply chain requirements
- Working with customers to provide malt that **meets their product development demands**, or to changes in consumer taste / demand / trends
- Length of some relationships **exceed 50 and 100 years** with the tenure of the top 10 customers extending for an average period of more than 15 years
- More than **800 customers** in total
- From large international brewers and distillers…
- … to small micro brewers and food producers

Efficiency and sustainability initiatives

Waste Water / Heat Exchange – Calgary

- **Canada Malting Co** (CMC) has entered a **heat and reclaimed water sharing agreement** with energy provider ENMAX at its Calgary malt facility
- CMC will reclaim its **effluent water and provide** ENMAX high quality reclaimed water and in **return** will have the **option** to **procure heat and steam** from ENMAX
- The initiative also replaces an existing CMC onsite lagoon that will be **reclaimed and leased** by ENMAX



Waste Water Recycling – Geelong

- **Barrett Burston Malting** (BBM) to treat and reuse waste water at its Geelong malt facility
- Working with the Victorian State Government in the **project planning phase**
- GrainCorp Malt is looking at a similar initiative at the **Witham malting plant** – **Bairds Malt**

Reclaimed Waste Heat – Pocatello

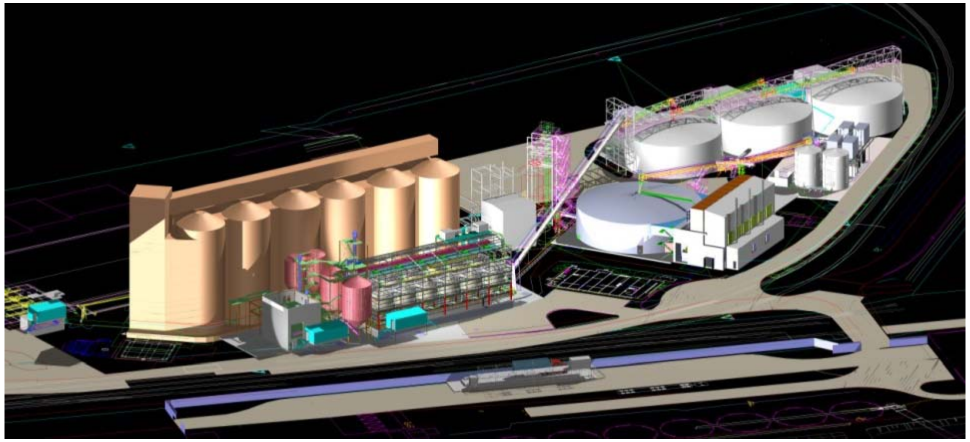
- **Great Western Malting** (GWM) has entered an agreement with the City of Pocatello and Hoku Materials (supplier of Polysilicon to the solar cell industry)
- GWM will **use waste reclaimed heat** to **offset the majority of natural gas** used at the Pocatello malt plant
- The Hoku site also **improves rail and road access**

Arbroath development complete

- New capacity of 57,000 tonnes, officially opened in April 2010
- Total project cost of £23m
- Modernisation of germination vessels and conveying equipment
- Reduced water and energy consumption
- Ideally placed to manage an integrated supply chain
- Offer customers complete traceability of product

Pinkenba development on track

- A new development of 85,000 tonnes capacity
- Scheduled completion early 2011
- Total BBM project cost ~A$85m
- Automated plant with high energy efficiency
- Location adjacent to GrainCorp Pinkenba
- Portside location mitigates procurement risk
- GrainCorp silo upgrade complete at a total cost of ~$13m



Pinkenba development on track

Basement of the Barley Silos

Germination Vessel

Vancouver (WA) capex projects identified

- Port of Vancouver (WA) to retake land from GWM
- GWM to receive US$32.6m compensation over 5 years
- Funds will be used to replace assets and undertake several other GWM capital projects
- GWM has until April 2013 to move off the new rail site

In Summary...

GrainCorp Malt Integration

- Was a ‘bolt on’ so integration is close to completion

International Market Dynamics

- Prepared for international malting barley supply and demand trends, malting barley price variations, growth in malt demand, and malting capacity factors

GrainCorp Malt Efficiency / Sustainability Initiatives

- More efficient production / cost savings addressing rising energy and production input costs
- Potential to meet customer demand for ‘sustainable’ malt production
- New product / market positioning opportunities

Guidance

- FY2010 EBITDA range $110 M- $120 M

THANK YOU
Q&A

Disclaimer

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