



Company announcement

GrainCorp Limited ABN 60 057 186 035

Date: Tuesday, 21 December 2010
To: The Manager
Announcements
Company announcements office

PUBLIC ANNOUNCEMENT

GRAINCORP 2010 SHAREHOLDER REVIEW

GrainCorp has today released the company's 2010 Shareholder Review for the 30 September 2010 year end.

A PDF copy of the 2010 Shareholder Review is also available for download from the GrainCorp website at www.graincorp.com.au

A handwritten signature in black ink, appearing to read "Betty Ivanoff", is displayed on a light gray rectangular background.

Betty Ivanoff
General Counsel and Company Secretary

GrainCorp Limited
Level 26, 175 Liverpool Street, Sydney NSW 2000
PO Box A268, Sydney South NSW 1235
Telephone: (02) 9325 9100 Facsimile: (02) 9325 9180
www.graincorp.com.au





GrainCorp

2010 Shareholder review



The fourth largest commercial malt producer in the world ... page 4



Received over 8 million tonnes and exported over 3 million tonnes of grain ... page 6



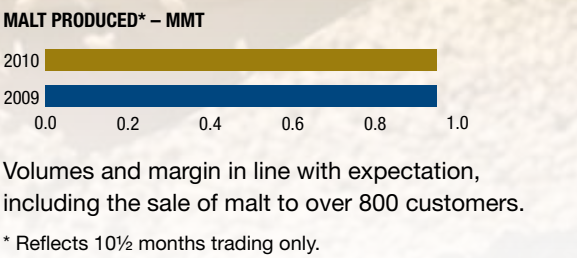
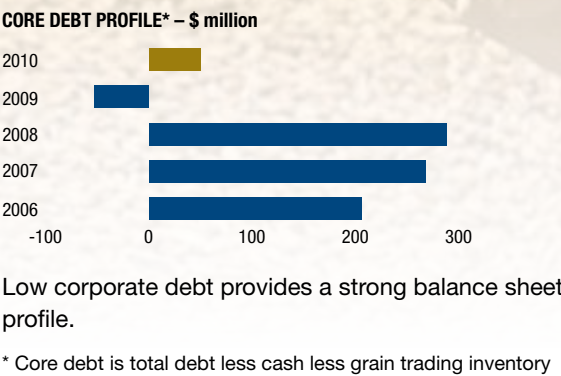
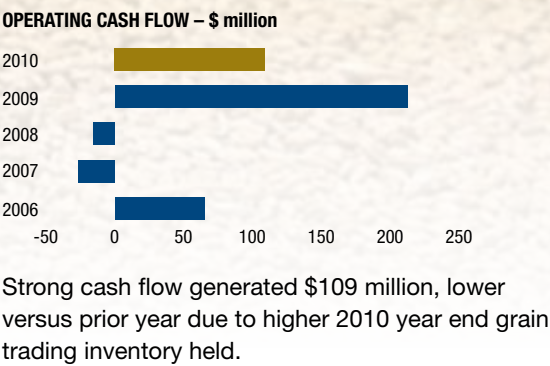
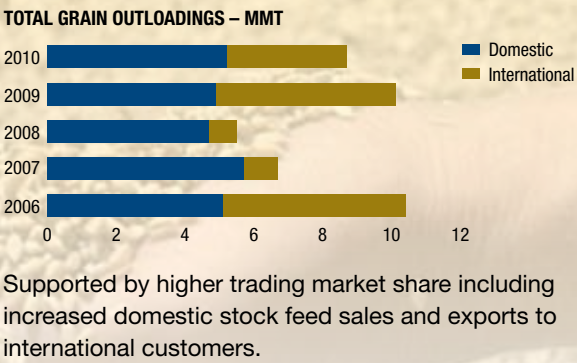
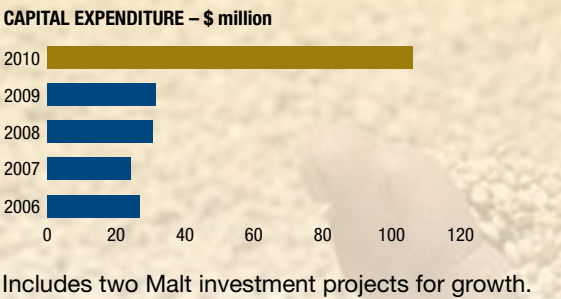
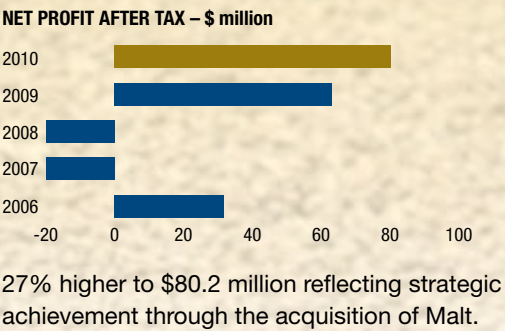
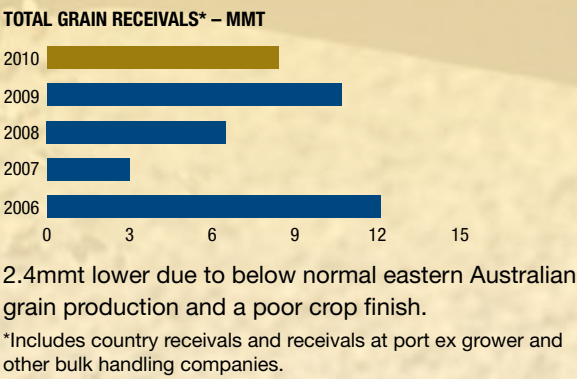
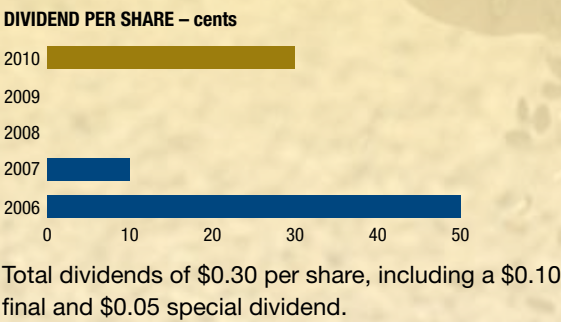
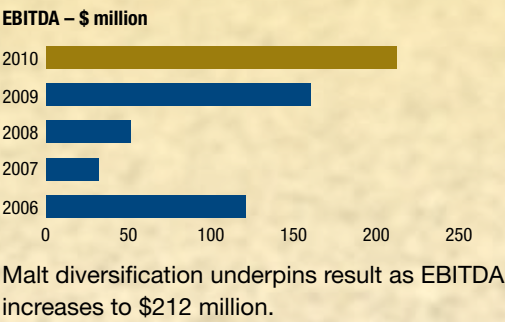
Increased market share for export sales ... page 7



Diversifying through organic growth and adding value ... page 8

Key financial results

The sound 2010 result reflects the more diversified GrainCorp group, where earnings rose and dividends increased despite lower grain receival and export volumes.



Chairman’s review



As a significant foreign investor in Canada, the USA and the UK, GrainCorp knows the benefits that come from investing internationally.

This last financial year was one of major change for GrainCorp, following the finalisation of the acquisition of the malt businesses on 13 November 2009.

In 2006, your board, and the GrainCorp management team, set out to remove cost and inefficiency from our grain handling business, and to implement a strategy to diversify income and build shareholder value.

Since that time, we have removed \$30 million cost from the business and delivered on the diversification strategy with the purchase of the malt operations in Canada, the USA, the UK, and Australia.

The contribution of our new malt business unit in 2010, a year in which lower grain production in eastern Australia effected earnings from grain handling and marketing, proved the relevance of the company’s strategy.

I mentioned in my Chairman’s Review last year that there was some uncertainty about the way the grain market would adjust to the removal of the bulk wheat export ‘single desk’.

I am pleased to be able to report that the market, and grain growers in particular, adjusted very quickly. This has repaid the faith GrainCorp had in backing the removal of the single desk, and is a credit to the Australian grains industry as a whole.

During late 2009 and early 2010, the Productivity Commission closely examined the wheat industry, and concluded that the transition from the bulk export monopoly to a more open market, albeit one that still has regulatory controls over bulk wheat exports, has been successful, with no group being disadvantaged.

The Commission recommended, in light of the success of the transition, that bulk wheat exports should be deregulated from the end of 2011. GrainCorp supports this recommendation, and will again take a leading role in seeking positive change for the industry.

Much has been said in recent times about foreign investment in Australian agriculture, and foreign ownership of Australian farms and agribusinesses.

We need the capital, innovation and competition that comes from foreign investment. As a significant foreign investor in Canada, the USA and the UK, GrainCorp knows the benefits that come from investing internationally.

We also understand the concerns of those who are raising questions about the transparency of foreign investment, and the potential strategic nature of it.

Any controls or oversight that may be placed on foreign investment in the Australian agricultural sector have to be sensitive to the fact that Australia is a net beneficiary of foreign investment, and a significant exporter of primary products. We are part of the global agricultural trade community, and we rely on exports for much of the wealth generated by the sector.

Lastly, I would like to thank GrainCorp employees all over the world, for their contribution to our 2010 financial year result, and for their commitment to the company.

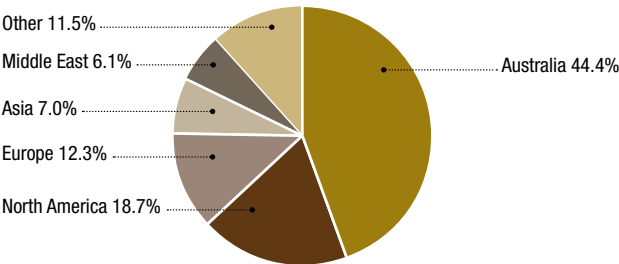
We have a great company, built upon the experience and dedication of a team of people I am proud to lead as Chairman.

Managing Director's review

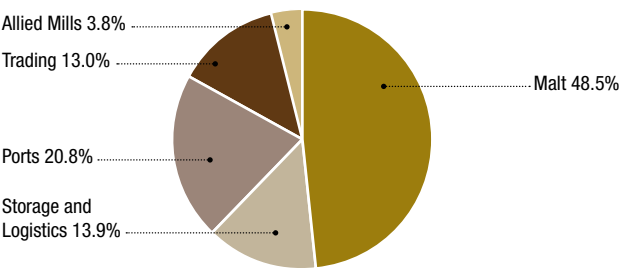


The changes to the Australian grain sector have significantly improved the strategic possibilities available to GrainCorp.

REVENUE BY GEOGRAPHY



EBITDA BY SEGMENT



The 2010 financial year was one of consolidation for GrainCorp, after a period of significant change. During the previous financial year, the company raised close to \$800 million capital for the reduction of debt, and the purchase of Canada Malting Company (Canada), Great Western Malting (USA), Bairds Malt (UK), and Barrett Burston Malting (Australia).

Both capital raising activities were oversubscribed, indicating the support GrainCorp enjoys from shareholders. The purchase of the malt businesses, completed on 13 November 2009, changed the nature of the company, from being a grain handler and marketer focused on and exposed to seasonal conditions in eastern Australia, into an agribusiness with significant international operations, with lower debt and a more diversified income base.

A changed market environment

The changes to the Australian grain sector brought about by the removal of the bulk wheat export monopoly in July 2008 have significantly improved the strategic possibilities available to GrainCorp.

We have gone from not being legally able to export the bulk wheat stored, handled, and elevated through our network, to now being the largest exporter from eastern Australia. This means we are now better able to generate more value for shareholders from our grain handling assets, and our main and branch line rail capacity.

International opportunities

The purchase of the malt companies in late 2009 diversified the income base of the company, and has opened up opportunities for the company to take advantage of the grain handling assets that supply malting barley to our malt houses in Canada, the USA, and the UK.

When combined with our intention to open a trading office in Europe, and our customer support assets in Singapore and China, we now have assets that potentially allow us to provide our export grain customers with a higher level of service, and the possibility of complementing our Australian grain exports with supply from other points of origin.

GrainCorp's international grain market presence means its market intelligence capabilities have increased, and this contributes to GrainCorp being more able to control and minimise supply and price risks.

The international opportunities open to the company will allow us to continue to diversify company income, and to continue to grow shareholder value.

Malt – a valuable contributor

Our malt production interest is like all businesses, subject to variation and cycles. Importantly, the business cycles in the malt sector are different to those of the grains industry in eastern Australia.

The consumption of beer and distilled spirits has been effected by the international economic downturn, particularly in developed countries.

EMPLOYEES BY REGIONS*



Offsetting this is continued strong demand for beer in less developed countries, particularly South East Asia and South America, both regions serviced by our Australian and North American malt houses.

GrainCorp's malt businesses are underpinned by strategic investments in modern production technology, and capacity expansion to service regions where demand for beverages is increasing.

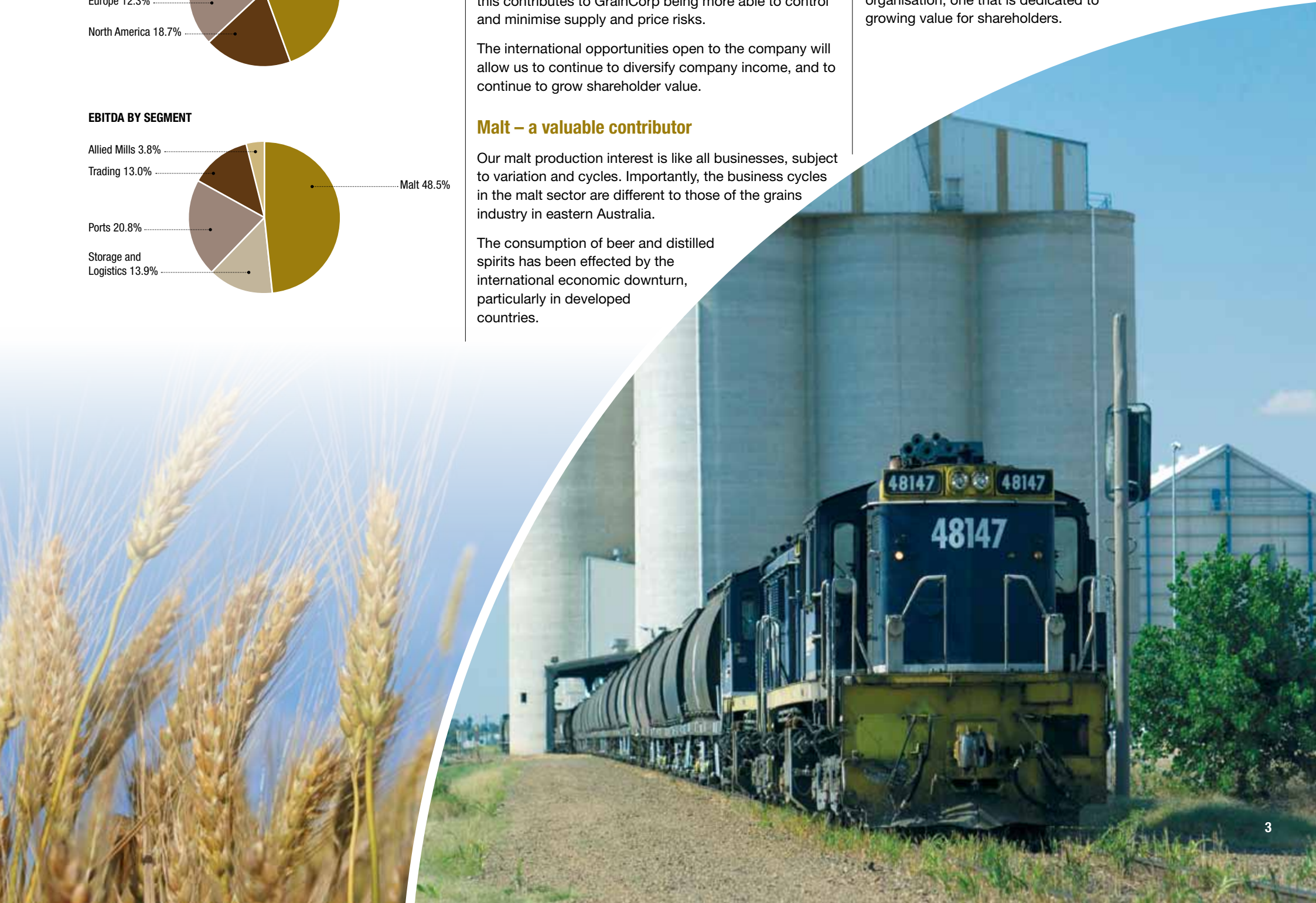
We currently have a number of projects underway that will increase the productivity of our malt houses, focused primarily on water and heat recycling, and reducing energy consumption. These projects will also allow GrainCorp to become a more sustainable supplier of malt, and to meet the demands of leading brewers and distillers that require such initiatives.

Building on our fundamentals

GrainCorp's fundamental strengths are the company's asset base in Australia, Canada, the USA and the UK, and our skilled and dedicated workforce.

These fundamental strengths have grown stronger, even as the company grew and changed rapidly over the last two years. We are strongly committed to safety and diversity of equal employment opportunities in the work place, and seek to promote GrainCorp as a good corporate citizen, and a valuable part of the communities in which we operate.

GrainCorp will continue to focus on using its fundamental strengths to grow into a more profitable and resilient organisation, one that is dedicated to growing value for shareholders.



GrainCorp Malt



GrainCorp Malt has a total malt production capacity of 1.2 million tonnes per annum, and four well-established, independent brands.

GrainCorp finalised the purchase of the group of malt businesses on 13 November 2009, making the company the world's fourth largest commercial malt producer.

The new business unit, which has been renamed GrainCorp Malt, has 15 plants, a total malt production capacity of 1.2 million tonnes per annum, and four well-established independent brands:

- Canada Malting Company – Canada
- Great Western Malting Company – USA
- Bairds Malt – UK
- Barrett Burston Malting – Australia

Former GrainCorp CFO and Interim CEO Ian Wilton was appointed as the President and CEO of GrainCorp Malt in July 2010.

Canada Malting Company – Canada

Canada Malting traces its history back to 1902 and operates malt houses at Montreal, Thunder Bay and Calgary and is the largest malt producer in Canada, with a total production capacity of 450,000 tonnes per year.

The company also operates nine grain storage elevators in major malt barley producing regions; and Coastal Containers, a facility located in Vancouver (British Columbia) that manages the export of containerised malt and specialty crops to a range of markets including Asia, South America, and South Africa.

Canada Malting supplies large commercial brewers and the microbrewery sector directly and through the Country Malt network.

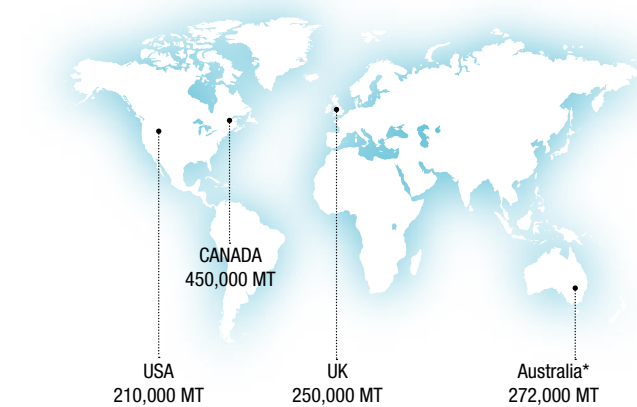
Great Western Malting Co – United States

Great Western is the leading malt producer in the Northwest of the United States, with a total production capacity of 210,000 tonnes per year, supplying major brewers and a range of specialty malts for the microbrewery sector.

Great Western malt houses are located at Pocatello (Idaho) and Vancouver (Washington). The Vancouver malt house produces a range of specialty malts, and loads malt directly to bulk vessels and into containers for Asian and South American markets.

The **Country Malt Group**, part of Great Western, distributes malt, hops and brewing materials from a range of international suppliers through its warehouse network to the North American regional, microbrewery and brewpub sectors.

MALT PRODUCED BY REGION



* Includes Pinkenba production capacity due to open early in 2011

In July, Great Western acquired the Portland, Oregon-based **Brewcraft USA**, a supplier of an extensive range of premium quality local, imported and specialty ingredients and equipment for the production of beer, wine and distilled products. The goal of this acquisition is to become a mainstay of the growing North American home brewing industry.

Both Canada Malting and Great Western produce Two-Row, Munich, Vienna, Carastan, Crystal, Roasted, Black, Chocolate, and Brown malts for brewing.

Bairds Malt Limited – United Kingdom

Bairds Malt was formed in 1999 following the merger of Hugh Baird & Sons Ltd. (est. 1823) and Moray Firth Maltings (est. 1967).

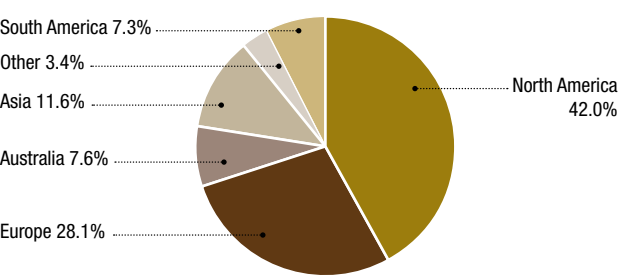
Bairds Malt operates malt houses at Inverness, Arbroath and Pencaitland in Scotland, and Grantham and Witham in England, with a total production capacity of over 250,000 tonnes per year.

Bairds commissioned the new Arbroath malt house in January 2010, expanding the company's capacity to supply high quality malt to the Scottish distilling sector.

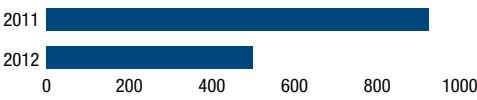
The three malt houses in Scotland make Bairds a leading supplier to the Scottish distilling industry.

Bairds produces caramelised and roasted malts, Pale Ale, Premium Pilsen, Stout, Vienna, DMS and Munich brewing malts, and Pot Still, High Enzyme Activity and Peated malts for whisky distilling.

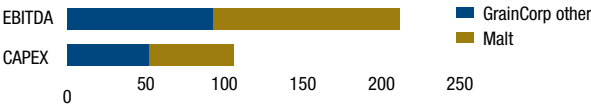
GRAINCORP MALT SALES BY GEOGRAPHY



MALT FORWARD SOLD PRODUCTION – tonnes



MALT CONTRIBUTION – \$ million



Bairds also operates farm merchanting businesses in Scotland and England:

Saxon Agriculture is one of the United Kingdom’s leading cereal, oilseed and pulse seed wholesalers, as well as a significant grain trader.

Scotgrain Agriculture operates across the eastern seaboard of Scotland and supplies seed, fertiliser, agrichemicals, animal feeds and agricultural lime, as well as procuring and marketing cereals, oilseeds and pulses. Both merchanting operations supply conventional and organic grain to a range of end users.



Barrett Burston Malting – Australia

Barrett Burston Malting traces its heritage back to the 1860’s when the Burston, Hood, Smith and Barrett families established the commercial malting industry in Australia.

Barrett Burston is the second largest malt producer in Australia, with a current production capacity of 186,000 tonnes per year. This will rise to 272,000 or 30 per cent of Australian malt production capacity when the new malthouse in Pinkenba, Brisbane opens in early 2011. Over 40 per cent of Barrett Burston production is exported to South Korea, Vietnam, Thailand and Japan.

Barrett Burston Malting malt houses are located in Toowoomba (Queensland), Thornleigh (Sydney), Burnley (Melbourne), Geelong (Victoria) and Pinkenba (Brisbane).

The largest Barrett Burston malt house is located at Geelong, in Victoria, on land adjacent to GrainCorp’s Geelong export grain elevator. GrainCorp has been providing malt barley receival, storage and elevation services to Barrett Burston in Geelong since the malt house was commissioned in 1985. Since commissioning, the Geelong plant has been continuously updated with the latest technology and services, making it one of the leading malt houses in Australia.

Barrett Burston supplies Pale malts, Wheat, Crystal and Dark Roasted malts for Australia’s largest domestic market brewer, for the Australian craft brewery market, and for export to Asia.

Malt house developments – Arbroath Scotland and Pinkenba Queensland

In April 2010, Bairds Malt commissioned a new 56,000 tonne per annum malt house at Arbroath. The project, costing £23 million, will provide high quality malt for a number of internationally famous Scotch whisky brands distilled in the local region.

The Arbroath malt house project is the largest expansion of malting capacity in Scotland in 25 years. It provides Bairds Malt with the most energy efficient malt production capacity in Scotland.

Due to be completed in early 2011, the new Barrett Burston Pinkenba malt house will add 86,000 tonnes per annum of energy efficient, sustainable malting capacity.

The project, costing approximately \$85 million, is located adjacent to GrainCorp’s existing Pinkenba bulk export/import elevator and storage site.



Efficiency and sustainability

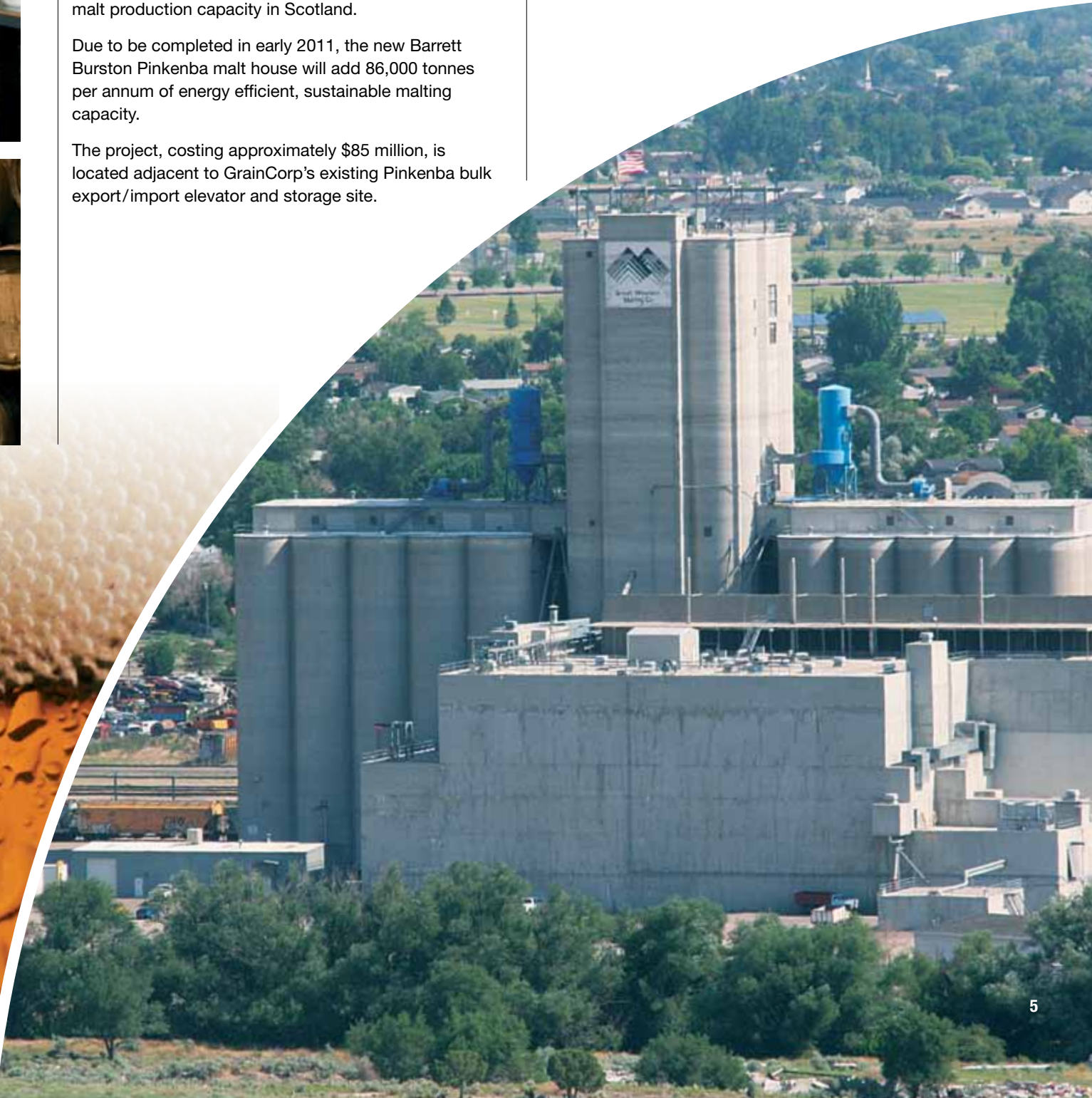
The production of malt from barley uses a considerable amount of energy (electricity or gas) and water. Both the new malt house developments at Arbroath and Pinkenba are fitted with advanced systems for reducing energy and water use.

The Canada Malting Calgary (Alberta) plant is collaborating with a local energy utility, ENMAX Energy, to allow for the on-site development of a natural gas-fired power generation facility. The ENMAX facility will utilise reclaimed effluent water from the plant and offer the option to use captured waste heat and steam to our plant and other neighbouring businesses.

In Geelong (Victoria), Barrett Burston Malting has started a project that will treat and reuse waste water. A similar project is being examined for the Bairds Malt Witham (England) site.

Great Western has signed a contract with Hoku Materials – a supplier of polysilicon to the photovoltaic cell industry – for the use of waste heat at the Pocatello (Idaho) malt house to offset the use of natural gas.

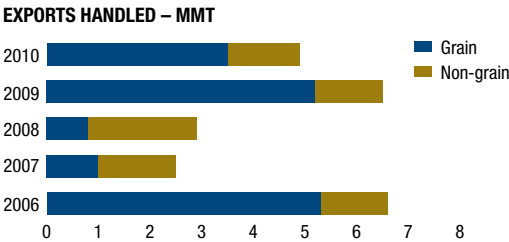
These initiatives give GrainCorp Malt the potential to meet customer demand for sustainable malt production, and an opportunity to develop new product or market positioning opportunities.



Storage and Logistics, and Ports



In 2010, GrainCorp Storage and Logistics generated \$34.1 million EBITDA, and Ports generated \$51.4 million EBITDA.



Storage and Logistics

Grain receival and out-loading

During the 2010 harvest, GrainCorp Country Operations sites received and unloaded 7.4mmt of grain, or approximately 270,797 truckloads, and outloaded 5.2mmt of grain for customers, equivalent to around 126,260 road trucks or almost 2,100 trains.

Rail operations

GrainCorp now has an annual commitment to rail operations of more than \$30 million per annum. Our rail operations are primarily for the use of GrainCorp’s own grain trading and exporting operations, but we do provide excess rail haulage capacity to other grain traders and exporters.

In 2010, approximately 50 per cent of the main line rail capacity contracted by GrainCorp was sold to other companies, on short and long term contracts, offsetting the commercial risks associated with our rail contracts.

During the year – our second year of full train management control – our rail logistics staff managed 17 trains that hauled 2.5mmt and loaded 5.2mmt of grain for customers.

Technical services and quality

GrainCorp has a network of NATA-certified grain quality laboratories located in country centres at Toowoomba, Narrabri, Parkes, Temora and Marong, and also at our 7 bulk grain export elevators. These labs carry out a range of grain quality and food safety testing services which support our grain storage, handling and exporting operations.

Last year the labs achieved the following:

- Provided certified testing equipment for 255 country grain storage and handling sites and the 7 bulk grain export elevators
- Assessed 21,854 grain samples
- Carried out quality, quarantine and food safety risk assessment on 130 export grain vessels
- Negotiated grain, pulse, and oilseeds standards with Grain Trade Australia, the Australian Oilseeds Federation, and Pulse Australia
- Participated in the Commonwealth Governments Australian Quarantine Inspection Service (AQIS) reform process, and the International Legal Metrology committee for protein and moisture testing of grain
- Led the production of GrainCorp’s first Harvest Quality Report
- Participated in the introduction of new grain fumigation technologies to better protect grain from pest damage

Ports

During 2010, GrainCorp handled 3.2mmt of bulk grain, 1.4mmt of non-grain bulk, and 0.3mmt of container grain exports.

Containerised grain exports

During 2010 the company responded to continued growth in the market for containerised grain exports by revitalising our container packing operations in Sunshine (Victoria).

The company can now pack containers for export at three locations (Geelong and Sunshine in Victoria, and Fisherman Islands in Queensland).

Further expansion of the container export sector beyond 2mmt per annum is anticipated. To take advantage of this growth, GrainCorp will be building a new container packing facility at Cooks River (St Peters, Sydney), and will be developing packing capabilities at a number of our large country storage and handling sites.

Woodchip handling expansion – Portland Victoria

GrainCorp continues to focus on finding ways to diversify earnings from our portside assets, and to reduce the reliance of this part of the business on bulk grain export handling.

During 2010, we entered into a long term agreement with Southwest Fibre, a joint venture between Midway and Mitsui, for the development of a new hardwood chip receival hopper, and truck marshalling area, at GrainCorp’s Portland elevator.

The investment will allow us to handle up to 1.8mmt per annum of hardwood woodchips, significantly up from the current average of 0.4mmt per annum.

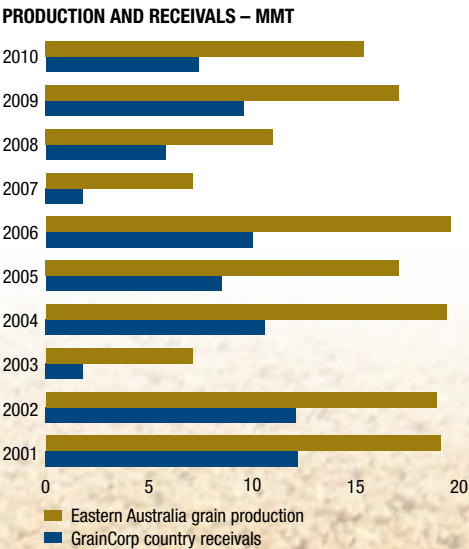
Barley storage project – Pinkenba Queensland

As part of the new \$80 million Barrett Burston Malting development at GrainCorp’s Pinkenba facility, 12,000 tonnes of barley storage capacity has been recommissioned. The project, costing \$12.6 million, was delivered on time and on budget, and allows the new malt house to receive and store malting barley by rail, road and ship delivery.

Fertiliser storage – Geelong

GrainCorp is now providing fertiliser storage and handling facilities at Geelong for a new entrant into the Australian fertiliser market, Koch Fertiliser Australia.

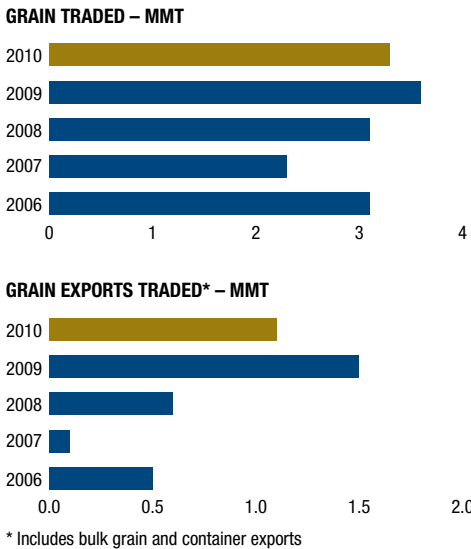
Koch Nitrogen Company, LLC and its affiliates, are collectively amongst the world’s largest producers and marketers of nitrogen fertilisers.



Trading and international sales



The growth in GrainCorp’s export sales market share is a result of our commitment to identifying value and delivering it to our customers.



GrainCorp Trading

During 2010, GrainCorp Trading traded 3.3mmt of grain to a range of international and Australian domestic customers.

This generated EBITDA of \$31.9 million and profit before tax of \$19.8 million for the 2010 financial year.

The removal of the bulk wheat export monopoly in July 2008, allowed GrainCorp to legally export wheat in bulk for the first time in the company’s history. In 2009 the company shipped more than 1.5mmt of bulk grain for export. This decreased to 1.1mmt in 2010 but represented higher market share of eastern Australian bulk grain exports.

The growth in GrainCorp’s export wheat sales year on year was a significant achievement, as the growth was reached in a year when grain production was lower and competition for export sales intensified. The increase is a result of GrainCorp’s commitment to identifying value and delivering it to our customers. Our customer value proposition is centred on the company’s grain storage, handling, export elevation, and transport capabilities, our extensive grain quality assurance network, as well as the technical expertise that comes from being a joint venture owner of Allied Mills, Australia’s largest food sector flour miller.

GrainCorp now supplies grain consumers in Australia, New Zealand, the Pacific Islands, South East Asia, China, India, the Middle East, Africa, North America, and Europe.

As a reflection of our growth and to increase our ability to service existing international customers we have brought our ocean freight chartering in house. By recruiting an experienced ship chartering manager we can now build and retain the skills to grow this important part of our supply chain.

International customer support

South East Asia

GrainCorp opened a customer support office in Singapore in August 2009. This enables us to provide an enhanced level of service, and technical and logistical advice, to customers in the competitive Asian markets.

The opening of the representative office sent a clear signal to our customers in Asia that GrainCorp is serious about building direct relationships with them, and supporting those relationships with an ‘in market’ presence.

Through the Singapore office, GrainCorp ensures international customers receive high quality grain that conforms to their specifications. Our Singapore representative works closely with the Sydney-based trading team, our logistics and supply chain specialists, and our technical experts, to ensure GrainCorp delivers on value.

China

GrainCorp also has an in-market liaison in China (Beijing). As the fastest growing economy in the world, China will

become increasingly important to the Australian grains industry and for GrainCorp in particular.

Potential exists for an expansion of wheat, canola, and particularly barley, exports to China. The Chinese people are historic beer consumers. As the Chinese economy grows, so will the consumption of beer and distilled beverages requiring malt.

Having the capability to gather market insight, and to directly interact with Chinese grain consumers, processors and importers, provides GrainCorp with an opportunity to expand our share of the grain trade in this important market.

Europe

In 2011 GrainCorp will be opening a European market support and trading office.

The European office will allow the company to provide technical and marketing support to our bulk grain customers in Europe, Africa and the Middle East, and increase the company’s market intelligence gathering capabilities.

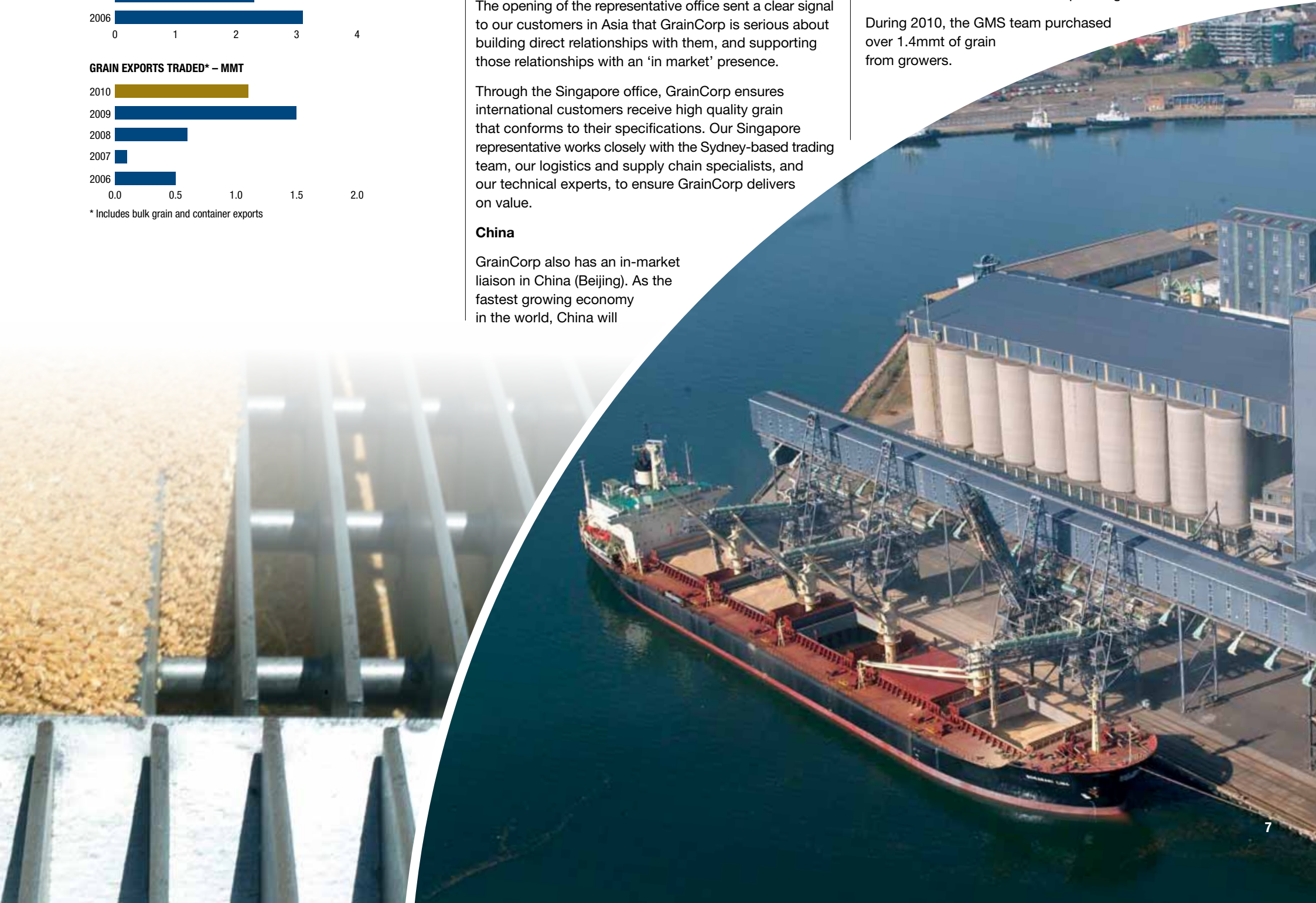
GrainCorp’s aim is to develop long term, sustainable commercial partnerships with its international customers. To do this successfully, the company must have the capability to be a year round supplier of wheat, barley and other grains.

It will allow us to meet the needs of our customers in the European time zones and ensure we are able to provide the same level of service that we provide customers in Australia and Asia. We will be able to supply grain and oilseeds to customers from markets other than Australia, thus allowing us to offer not only high quality Australian grain in season, but all year round.

GrainCorp Marketing Services (GMS)

Formed in April 2009, our team of 18 country based Marketing Services merchants buy grain from growers for GrainCorp Trading, and provide on site storage and marketing services for the wider sector. They also work with growers and our country site managers during and after harvest to increase the efficiency of ex-farm grain deliveries, and to encourage growers to transfer grain stored on farm into the GrainCorp storage network.

During 2010, the GMS team purchased over 1.4mmt of grain from growers.



Allied Mills



Allied Mills' access to diverse wheat varieties from across Australia allows it to produce flours and ingredients to deliver value to customers.



A joint venture established in 2002 between GrainCorp (60%) and Cargill (40%), Allied Mills is one of Australia's largest manufacturers and distributors of flour, bakery premixes and food service ingredients.

Premium quality food ingredients are not created by accident...

Allied Mills processes up to 800,000 tonnes of high protein and soft milling wheat and other grains each year.

GrainCorp plays an important role in procuring, storing and transporting grain for Allied Mills, and coordinates rail and road transport services.

With access to diverse wheat varieties from across Australia, Allied Mills can produce flours and food ingredients that deliver value to the broad range of products produced by our customers.

Our broad food ingredients range extends across several categories including:

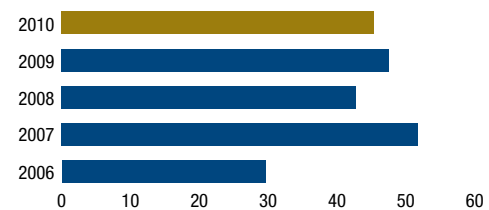
- Flours for bread, pastry, cake, biscuit, noodle and culinary applications
- Premixes for bread, cake, doughnut and culinary applications
- Specialty meals, semolinas and brans
- Specialty flours and grain products including maize, rye and soya
- Specialty ingredients such as bread improvers, concentrates and yeasts
- Batters and food coatings
- Products for animal nutrition applications

Strategic Investments for a better business

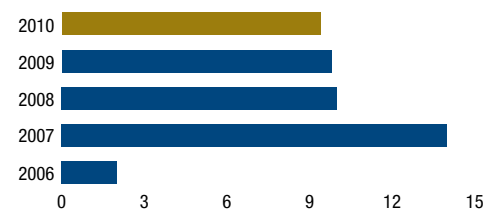
In 2005 Allied Mills embarked on a strategic investment strategy that focused on:

- Continuous cost minimisation programs, including selling redundant land from closed facilities
- Improving manufacturing costs
- Centralisation of systems and processes
- Investment in milling technology
- Increasing production capacity in the important Sydney flour and food service market
- Improving the efficiency of bulk and bagged flour supply to customers
- Investing in 'down stream' value adding

ALLIED MILLS EBITDA – \$ million



ALLIED MILLS EQUITY PROFIT – \$ million



In March 2009 Allied Mills completed a \$97 million technology and productivity investment project with commissioning of the new Picton (NSW) mill. The new hard and soft wheat, and maize milling facility, is located south of the Sydney metropolitan area, adjacent to the western expressway network.

The new mill at Picton replaces the historic 'Mungo Scott' flour mill at Summer Hill (Sydney), and the Allied maize mill in Albury, both of which were closed following the commissioning of the Picton mill.

Allied Mills has been focusing on diversifying the business through organic growth and value – adding acquisitions which are linked to the core business including:

- The acquisition of the Frozen Donut Manufacturing Facility from Retail Food Group (RFG) in January 2009. This facility has now been upgraded and fully integrated, and Allied Mills is now one of the largest doughnut manufacturers in Australia
- Commissioning an innovative par bake artisan bread facility
- A joint venture with Bowman Ingredients to make batters and coatings. This started in July 2010. Our joint venture partner has international access to a range of innovative products and technologies that will broaden the range of batter and coating products we offer

New corporate branding

In October 2010, to coincide with the head office relocation, Allied Mills updated the corporate brand.

The new brand more effectively represents the company as one that has steadily evolved over the last decade.

Allied Mills is more than 'just a flour miller'....

It is a company of passionate people, delivering innovative food solutions to our customers right across the Australian food industry.



Board of Directors



Don Taylor B COM, CA, Grad Cert Rur Sc, FAICD
Chairman and Non-Executive Director

Don Taylor joined the board as a Non-Executive Director in October 2003 and has been Chairman of the Board of Directors since December 2005. Mr Taylor is a member of the Human Resources Committee, a member of the Business Risk Committee and is a member of the Corporate Governance Committee.

A Chartered Accountant with audit and taxation experience in manufacturing and heavy industry sectors, Mr Taylor runs a mixed farming and grazing enterprise at Moonie in Queensland. He was formerly Executive Chairman of Grainco Australia Limited, a Director of Forest Enterprises Australia Limited and Chairman of Carrington Cotton Limited (formerly listed on ASX).



Alison Watkins B Com, FCA, F Fin, FAICD
Managing Director and Chief Executive Officer

An experienced Chief Executive Officer and ASX 20 company board director, with experience in the agriculture, food processing, consumer, retail, financial and professional services sectors. Ms Watkins is a member of the Corporate Governance Committee. Ms Watkins joined the Board in July 2010.

Ms Watkins has held a number of executive roles, including Chief Executive Officer of Berri Limited, Executive Chair of Mrs Crocket's Kitchen Pty Ltd, and Chief Executive Officer of the Bennelong Group, and is a former partner of McKinsey & Company. She was formerly a non-executive Director of Just Group Limited and Woolworths Limited, and is currently a non-executive Director of Australia and New Zealand Banking Group Limited.



Donald McGauchie AO, FAICD
Non-Executive Director

Donald McGauchie joined the GrainCorp Board of Director in December 2009. He is the Chairman of the Human Resources Committee and a member of the Corporate Governance Committee.

Mr McGauchie is currently a member of the Reserve Bank Board, a Director of James Hardie NV, Chairman of Nufarm Limited, Chairman of Australian Agricultural Company Limited, and Chairman of the Australian Wool Testing Authority. His previous roles with public companies include Chairman of Telstra Corporation Limited, Deputy Chairman of Ridley Corporation Limited, Director of National Foods Limited, Chairman of Woolstock, Chairman of the Rural Finance Corporation, a Victorian statutory corporation, and also president of the National Farmers Federation.



Peter Housden B Com, FCPA, FAICD
Non-Executive Director

Peter Housden joined the GrainCorp Board as a Non-Executive Director in October 2008. Mr Housden is the Chairman of the Board Audit Committee and a member of the Corporate Governance Committee.

Mr Housden is currently a Board Member of Sparke Helmore Lawyers, was recently appointed to the Board of iSoft Group Ltd, and is a Director of Magenta Shores Gold and Country Club. Mr Housden is also a member of the Audit Committee for Housing NSW. He has over 40 years experience in accounting, treasury and commercial fields across a number of industries.



Dan Mangelsdorf B Ag Ec (Hons), FAICD
Non-Executive Director

Dan Mangelsdorf has been a Non-Executive Director of GrainCorp since February 2005. He is the Chairman of the Business Risk Committee, and a member of the Corporate Governance Committee.

Mr Mangelsdorf is a grain grower from West Wyalong in New South Wales. He was formerly Chairman of Grain Growers Association Limited and a member of the Federal Government Industry Expert Group.



David Trebeck B Sc Ag (Hons), M Ec, FAICD
Non-Executive Director

David Trebeck is Chairman of the Corporate Governance Committee, a member of the Board Audit Committee and a member of the Human Resources Committee. Mr Trebeck joined the Board in February 2002.

Mr Trebeck is currently Chairman of ASX listed company Penrice Soda Holdings Limited and a Director of Maersk Australia Pty Limited and PrimeAg Australia Ltd. Mr Trebeck was formerly a Commissioner of the National Water Commission, and formerly Principal, Managing Director and co-founder of economic consultancy ACIL Consulting Pty Ltd (now ACIL Tasman Pty Ltd).



Simon Tregoning B Com
Non-Executive Director

Appointed as a Non-Executive Director in December 2008, Simon Tregoning is also a member of the Board Audit Committee and a member of the Corporate Governance Committee.

Mr Tregoning is currently a Director of St Luke's Care and a Director of Capilano Honey Limited. Mr Tregoning was formerly a Director of Australian Co-operative Foods Limited (Dairy Farmers) and Capitol Chilled Foods (Australia) Pty Ltd, and was formerly Vice-President of Kimberley-Clark Corporation.

Mr Tregoning has 23 years of senior management experience spanning 15 countries in the fast moving consumer goods and energy sectors.

Senior management

Ian Wilton
President & CEO, GrainCorp Malt

Appointed as President and CEO of GrainCorp Malt in July 2010, Ian Wilton previously started with the company in June 2009 as CFO, and then as Interim CEO from January – July 2010. Mr Wilton has an extensive range of international and Australian agribusiness experience, having worked in senior positions for a number of companies here and in the United States and Europe. Before joining GrainCorp, Mr Wilton was CFO of Ridley Corporation for eight years, and spent three years as CFO of ConAgra Malt, a forerunner of the UMH business which is now GrainCorp Malt.

Nigel Hart
Group General Manager Storage & Logistics

Nigel Hart has been with GrainCorp for 13 years and was appointed Group General Manager Storage & Logistics in November 2010. He is responsible for GrainCorp's grain receival, storage and handling, ports, rail and road logistics, safety, customers and quality assurance. Nigel has extensive industry and company experience and has previously held roles with GrainCorp as Company Secretary and General Manager Ports.

Sam Tainsh
General Manager Trading

Sam Tainsh has been with GrainCorp for nine years and was appointed General Manager Trading in February 2002. He is responsible for all domestic and international grain, oilseeds and meal marketing and trading activities. Before joining GrainCorp, Mr Tainsh spent several years as a commodity trader at Louis Dreyfus Corporation.

Alistair Bell
Chief Financial Officer

Appointed in November 2010, Alistair Bell is responsible for the Group's capital management, treasury, reporting, taxation, IT, procurement, shared services and financial risk management functions. He has an extensive range of international experience in finance, operations, treasury, M&A, and private equity across a number of different sectors. Mr Bell is a director of Alzheimer's Australia NSW and a member of its Investment Advisory Committee, Audit & Risk Committee and Building Committee.

Heather Miles
General Manager Corporate Services

Commencing in November 2010, Heather Miles is General Manager Corporate Services, responsible for GrainCorp's overall people strategy and implementation. She is also responsible for legal and compliance. Ms Miles brings 20 years of business and HR experience in food manufacturing, banking, forest products, from McKinsey & Company, Carter Holt Harvey and Westpac.

Neil Johns
Chief Development Officer

Neil Johns has been with GrainCorp for 22 years, and was appointed to his current position in 1997. He is responsible for corporate strategy, mergers and acquisitions, major projects and investor relations. Mr Johns is a director of Allied Mills, Grain Trade Australia and Queensland Commodity Exports.

Betty Ivanoff
General Counsel and Company Secretary

Betty Ivanoff was appointed General Counsel and Company Secretary for all the GrainCorp entities in October 2008 and is responsible for the company's legal matters. Ms Ivanoff has spent the last eight years in various internal corporate counsel roles and has a background in corporate, commercial and construction law. Ms Ivanoff oversees corporate governance, compliance, insurance, risk and the Group's energy efficiency program.

Safety and environment



As GrainCorp continues to grow, so must its health and safety performance improve.

Safety

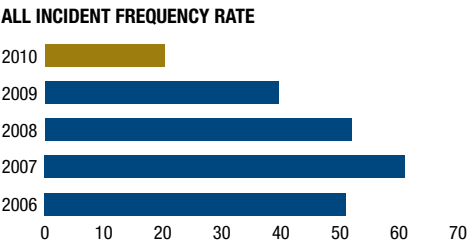
It has been a year of mixed safety success for GrainCorp, with the reduction of the All Injury Frequency Rate (AIFR) from 39.6 in 2009 to 20.3 in 2010 (reducing the actual number of lost time injuries from 37 to 30) overshadowed by the death of a long serving staff member at Corio in Victoria.

2010 saw GrainCorp introduce an Integrated Safety Model which helps identify areas of its current safety systems and behaviours that require further improvement.

To help implement this new safety model, a three year Health and Safety Strategic Plan has been launched and several health and safety KPIs have been rolled out across the company, including AIFR, Safety Interactions, Near Miss Reporting, Tool Box Talks, and Management Reviews across all staff at the business unit, regional, terminal and personal levels.

Management Reviews are particularly important, as they give leadership to safety initiatives. Under the system, managers are required to review and act on safety information they receive on a regular basis. This includes providing input and actions regarding incident reports and Near Miss Reporting, as well as providing meaningful reviews of health and safety statistics and Safety Interactions.

As GrainCorp continues to grow, so must its health and safety performance improve. As such, safety must remain at the forefront of all our minds to help establish and maintain the goal of creating a zero harm safety culture at GrainCorp.



Environment and sustainability

Sustainability is one of our core company values and one that all staff are encouraged to actively participate in. As part of our commitment to conduct business in an ethical and sustainable way, GrainCorp is a registered participant in:

- the Energy Efficiency Opportunities (EEO) program;
- the National Energy and Greenhouse Reporting Scheme; and
- the international Sustainable Agriculture Initiative.

Through the year GrainCorp has supported its staff to take part in sustainability initiatives both within the company and in the broader community. These include small and large scale initiatives.

We have a number of exciting large scale sustainability initiatives on foot, including the implementation of a diverse range of projects across several of our locations, such as:

- **Pocatello Idaho, USA** – reclamation of waste heat from a neighbouring organisation’s polysilicone plant to offset our natural gas use
- **Alberta, Canada** – treating malting process water to allow it to be re-used in the ENMAX electricity generation plant operated on part of our site
- **Victoria, Australia** – development of a reverse-osmosis treatment system to enable re-use of process water
- **New South Wales, Australia** – several of GrainCorp’s facilities are installing or have installed power factor correction apparatus to achieve more efficient electricity supply to our infrastructure facilities

We are also undertaking smaller scale sustainability initiatives right across the business. A recent energy efficiency initiative has been to adapt our storage and handling operations to ensure materials handling equipment is switched off when not in use.

Also on a smaller scale, our staff have participated in various recycling initiatives, such as GrainCorp’s “Handy Old Bags” campaign where Sydney head office staff bring in unused bags to be reused by stores in their local communities, and ecological pest control projects in conjunction with Sydney’s Centennial Parklands and Moore Park Trust.



Financial summaries

RESULTS SUMMARY

	2009	2010
Business drivers (million metric tonnes)		
Grain carry in	2.2	2.9
Country network grain receivals	9.6	7.4
Grain received at port ex-farm and from other BHC's	1.1	0.9
Grain exports handled	5.2	3.5
Domestic outload	4.9	5.2
Grain carry out	2.9	2.6
GrainCorp grain exports	1.5	1.1
Non-grain exports	1.3	1.4
Malt sales*	–	0.9

* Reflects 10½ months trading only

Key results (\$ million)

Revenue	1,725.5	2,002.9
EBITDA ¹	160.2	211.5
EBIT ²	117.9	140.0
Net profit/(loss) after tax	63.2	80.2
Dividend (cents per share)	Nil	30.0

2010 BUSINESS UNITS RESULTS SUMMARY

	2009 Revenue	2009 EBITDA ¹	2010 Revenue	2010 EBITDA ¹
Business unit (\$ million)				
GrainCorp Malt	–	–	796.6	118.7
Storage and Logistics	409.3	91.0	340.1	34.1
Ports	130.4	78.1	104.3	51.4
Trading	1,346.0	39.2	923.8	31.9
Allied Mills*	–	9.8	–	9.4
Discontinued operations	65.0	-21.5	13.0	-0.7
Corporate business unit support and eliminations	-225.2	-36.4	-174.9	-33.3
Total	1,725.5	160.2	2,002.9	211.5

* Reflects 60% share of NPAT

FIVE YEAR FINANCIAL HIGHLIGHTS

		2006	2007	2008	2009	2010
Drivers						
Total receivals	MMT	12.1	3.0	6.5	10.7	8.3
Outloadings – domestic	MMT	5.1	5.7	4.7	4.9	5.2
Outloadings – international	MMT	5.3	1.0	0.8	5.2	3.5
Carryover	MMT	4.9	1.2	2.2	2.9	2.6
Earnings						
Total revenue	\$m	832.9	832.1	1,534.2	1,725.5	2,002.9
EBITDA ¹	\$m	120.9	31.9	51.3	160.2	211.5
Net profit/(loss) after tax attributable to members	\$m	31.7	(19.8)	(19.9)	63.2	80.2
Assets and equity						
Total assets	\$m	975.6	970.2	1,098.3	1,083.8	2,130.2
Net tangible assets per ordinary share ³	\$	7.0	6.4	5.9	6.8	4.5
Total equity	\$m	412.4	399.0	436.1	693.8	1,282.6
Long term debt to equity	%	45.8	57.2	51.5	15.1	21.4
Net debt to net debt and equity ⁴	%	42.5	45.8	50.5	4.4	15.7
Shareholder returns						
Basic earnings/(loss) per ordinary share	cents	77.6	(34.5)	(11.4)	33.8	39.9
Return on equity	%	7.7	(5.0)	(4.6)	9.1	6.3
Dividend per ordinary share ⁵	cents	50.0	10.0	–	–	30.0
Dividend yield per ordinary share ^{5, 6}	%	8.9	1.5	–	–	4.1

1 EBITDA is earnings before interest, tax, depreciation and amortisation.

2 EBIT is earnings before interest and tax.

3 Excludes reset preference shares at nominal value.

4 Net debt is total debt less cash.

5 All dividends were fully franked and yields include franking credit.

6 Using closing price immediately prior to or on 30 September divided by dividends for year.

Shareholder information

Shareholders' timetable* 2011

Annual General Meeting 2.00 pm Sydney	23 February
GrainCorp half year end	31 March
Half year profit and half year dividend announced	26 May
GrainCorp year end	30 September
Full year profit and final dividend announced	24 November
Shares begin trading ex-dividend	2 December
Record date for final dividend	8 December
Final dividend paid	22 December

* Timing subject to change

Annual General Meeting

2.00 pm, 23 February 2011
Masonic Centre
Castlereagh St (Cnr Goulburn St)
Sydney NSW 2000 Australia

Company details

Level 26
175 Liverpool St
Sydney NSW 2000
Australia
Tel: + 61 2 9325 9100
Fax: +61 2 9325 9180
www.graincorp.com.au

Share registry

All inquiries and correspondence regarding shareholdings should be directed to GrainCorp's share registry

Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia
Tel: + 61 2 8280 7111

GrainCorp and the community



GrainCorp’s Community Fund provides funding for projects based in grain growing regions which will have a positive effect on communities in rural and regional areas.



Many of our customers and shareholders live and work in regional Australia, and we at GrainCorp believe the company has a duty to contribute to community development in grain growing regions.

The GrainCorp Community Fund

The company’s Community Fund, which replaced the GrainCorp Foundation, provides funding for projects based in grain growing regions where GrainCorp operates, or regions that are otherwise linked to grain growing activities.

The projects GrainCorp supports must have a positive effect on communities in rural and regional areas, and fall within one of four key areas:

- Education
- Health and Safety
- Youth development
- Community development

We also require any funding application to the GrainCorp Community Fund to demonstrate active involvement of one or more GrainCorp employees.

In applying for an award from the Community Fund, applicants must demonstrate:

- Initiative and energy in raising funds locally
- Financial accountability
- How the project contributes towards community development
- A plan that clearly defines the manner in which an award from the Fund will be promoted.

Award recipients in 2010 include:

Kenadee Jayde Baker Memorial	Community support event	Tottenham NSW
Natimuk Bowling Club	Installation of infrastructure to reduce water usage	Natimuk VIC
Rural Discovery Centre	Purchase of material promoting grain production for museum	Elmore VIC
Anzac Memorial Park Trustees	Instillation of higher standard lighting for sporting facilities	Warracknabeal VIC
Wallup Farm Safety Action Group	Farm safety initiative	Wallup VIC
Thallon State School P&C	Installation of air-conditioning in library and classrooms	Thallon QLD
Binalong Memorial Swimming Pool	Installation of safety structures	Binalong NSW
Portland Hockey Club	Contribution of funds for the purchase of a community bus	Portland VIC
Underbool Recreation Reserve Committee	Installation and upgrade of sporting facilities	Underbool VIC
Australian Universities Crop Competition	Support for education	Temora NSW
VFF Ouyen Farm Safety Education Day	Farm safety initiative	Ouyen VIC
Yanac Hockey Club	Installation of infrastructure to reduce water usage	Yanac VIC
Swan Hill North Primary School	Installation and upgrade of sporting facilities	Swan Hill VIC
Quantong Recreation Reserve	Contribution toward rebuilding community recreation facilities	Quantong VIC
Muscular Dystrophy Foundation	Support for fundraising activities	Sydney NSW
Food Bank Australia Ltd	Funding for the production of 1.3 million school breakfasts	Regional Australia
Narrabri Mens Shed	Purchase of tools and consumable items	Narrabri NSW
Community Living and Respite Services Inc.	Support for disabled children	Echuca VIC
Murrumburrah High School Farm Club	Farm related education infrastructure	Harden NSW
Bingara Central School	School bus project	Bingara NSW
Wimmera Youth & Community Mobile Centre	Mobile community health resource	Horsham VIC
Ariah Park Preschool	Preschool and community outdoor learning area	Ariah Park NSW
Keep Young Hearts Beating	Research into heart disease causing sudden death in 5–35 year olds	Sydney NSW
Christian Emergency Food Centre Inc.	Community support and education	Horsham VIC

