Company announcement

GrainCorp Limited ABN 60 057 186 035

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To: The Manager
Announcements
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PUBLIC ANNOUNCEMENT

GRAINCORP PURCHASES GERMAN MALT COMPANY
INVESTOR PRESENTATION – ACQUISITION OVERVIEW

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GrainCorp

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Acquisition of GermanMalt GmbH & Co. KG

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GermanMalt - Acquisition overview

Transaction Details

- Enterprise Value €58 M
  - AUD 77 M @ current FX
- Includes €18 M working capital
  - Mainly barley inventory
- Average EBITDA of ~€8 M PA through the cycle
  - FY12 and FY13 earnings lower
  - Affected by current industry conditions
- Transaction completion by 30 November 2011

Business Overview

- Malt capacity of 190 kt
  - Sales volume range 160-190 kt
- Working capital requirement €14-20 M
  - Predominantly barley inventory
  - Peaks with harvest in Jul/Aug
- Expect ~€1 M synergies
  - Across malt and grain businesses
- Fully debt funded
  - Term debt and working capital

Why Europe and why now?

Europe – Strategically important

Europe has a major influence on international markets

- European barley and malt market insight vital
- ~35% of world barley and malt production
- ~50% of world malt exports

European malt exports growing

- Particularly into Africa and Sth. America

Provides GrainCorp with stronger customer supply proposition

- Broadens GrainCorp Malt offering
- Enhances capability to meet wider range of brewer requirements

Timing – Strategically opportune

European malt sector is changing

- Opportunity to enter Europe during reshaping of market
- Germany world's fourth largest beer market

European presence provides potential for stronger relationship with brewers

- Changing face of international brewing
- Closer relationships with brewers essential in the competitive malt market

Why GermanMalt?

Strategic fit with GrainCorp

Diversified German regional and export customer base

Complements existing malt exports

- Provides additional export capacity
- Optional supply source for existing North American and Australian malt exports

Supports UK and European strategy

- Hamburg office now UK/Europe centre for GrainCorp grain business
- Coordination of barley supply
- More effective price risk management

Supply chain advantages

Competitive access to export markets

- Export supply chain by barge and container for African and South American markets

Competitive barley supply chain

- Local direct barley supply by road
- Barley supply ex France by barge
- ~110 kt barley storage capacity (>50% of barley consumption)

GermanMalt – Company details

Four malt houses with 190 kt PA production capacity

- Efficient, well maintained automated facilities
- Malt houses located on freehold or long term tenure land
- Approx. 60 permanent staff, small head office at Osthofen (Worms)

Competitive inbound barley and outbound malt supply chain

- Muelheim/Ruhr and Worms on Rhine river system

Established reputation, in excess of 150 years

- Well respected management team
- Skilled and motivated staff

Muelheim/Ruhr

- 60kt - near Dusseldorf
- Domestic and export
- Road and barge access

Sangerhausen

- 35kt - near Leipzig
- Domestic
- Surplus barley region

Worms

- 80kt - near Frankfurt
- Domestic and export
- Road and barge access

Clingen

- 15kt - near Erfut
- Domestic
- Surplus barley region

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