



Company announcement

GrainCorp Limited ABN 60 057 186 035

Date: 24 May, 2012
To: The Manager
Announcements
Company announcements office

PUBLIC ANNOUNCEMENT

GRAINCORP 2012 INVESTOR DAY

Investor Presentation

A handwritten signature in black ink, appearing to read "A. Horne".

Andrew Horne
Company Secretary

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



24 May 2012



GrainCorp

2012 INVESTOR DAY

Agenda



Presentation	Topic	Time
GrainCorp (Alison Watkins)	• There is “Value in Grain”	9.40
GrainCorp (Neil Johns)	• Global food themes and implications for GrainCorp	10.00
Break	Morning Tea	10.30
S&L⁽¹⁾ (Nigel Hart)	• Strengthen our grain handling network	11.00
Marketing (Sam Tainsh)	• Grow our grain Marketing business	11.30
Malt (Steve Haydon)	• Create and capture additional Malt value	12.00
Finance (Alistair Bell)	• Capital management	12.30
GrainCorp (Alison Watkins)	• Business synergies and Wrap-up	12.50
Break	Lunch	13.00
GrainCorp	• Site tours	13.30
Close	Buses depart	15.30

(1) Storage & Logistics

24 May 2012
Alison Watkins
Managing Director and CEO



THERE IS “VALUE IN GRAIN”

Today's presentation will demonstrate our mission by answering investor questions



Mission	An international agribusiness creating value by connecting consumers to growers along the grain chain		
Vision	Grow as our grain customers' preferred partner – driven by our passionate people and our assets around the world		
Corporate Objectives	Improve Returns	Manage Variability	Growth

Investor questions...	
1	What is our integrated Business Model?
2	Why is our offering attractive in a global grain market?
3	How will we reach our targeted \$40M additional underlying EBITDA?

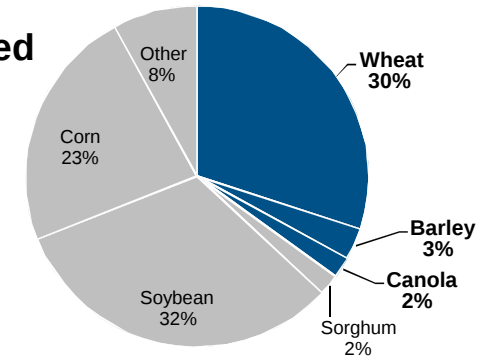
Our Business Model



Three core grains

- Wheat, barley, canola → represent ~35% of global traded grains
- Focus on 'drier climate' grains, where we have a comparative advantage

Global traded grains⁽¹⁾



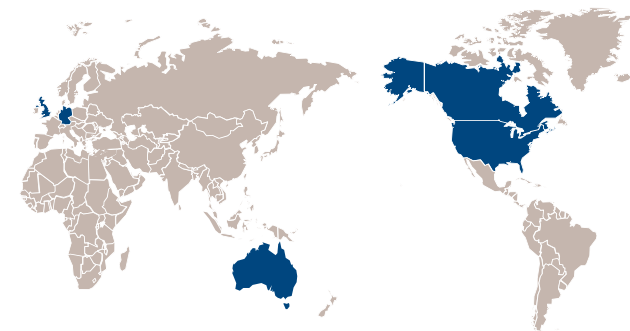
Three integrated grain activities

- 'End to end' grain supply chain presence
- Create and capture value in our core grains along the grain chain



Three operating geographies

- Australia, North America and Europe
- Provide insight, multi-origin capability and diversification in our core grains



(1) Excludes rice

Grain offers unique value add opportunities

Grain is a global soft commodity

- Variability in grain supply, trade flows, quality, pricing within and between seasons
- Linked through global trade
- Opportunities to add value:
 - ✓ Accumulation → through storage and handling
 - ✓ Origination → through optimal procurement
 - ✓ Arbitrage → through supply and price risk management
 - ✓ Processing

We have a platform to create and capture grain value

- We create value from grain through:
 - ✓ Handling → grain origination with quality and execution assurance
 - ✓ Ownership → domestic and international sales to consumers
 - ✓ Processing → grain value add into malt and flour food ingredients
- We capture value by leveraging our:
 - ✓ Asset intensive supply chain
 - ✓ Grain processing insight
 - ✓ Local and international insight

Building capabilities in our core grains

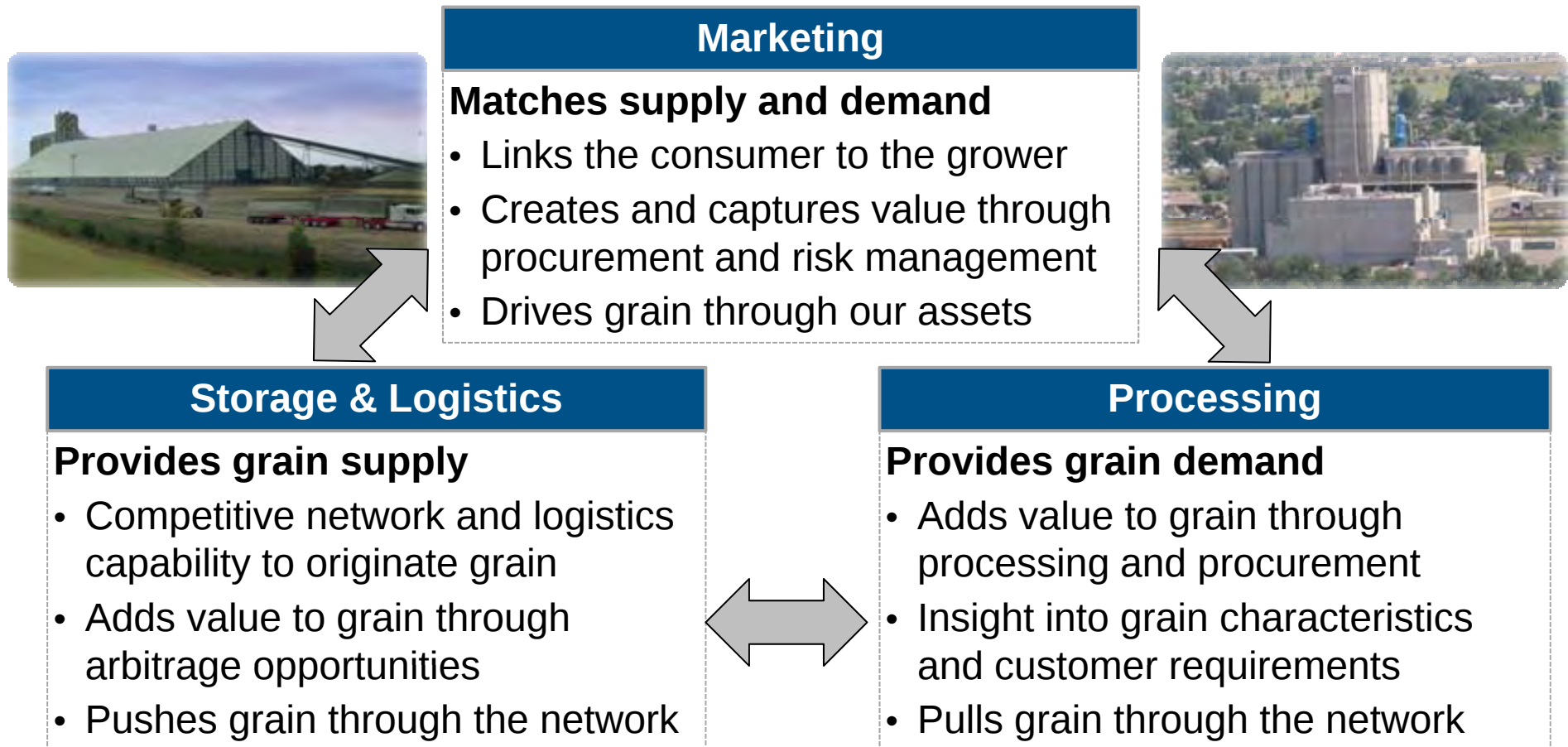
	Country	Logistics	Ports	Processing
Australia	280+ sites in eastern Australia → 20mmt⁽¹⁾ storage capacity serving 10,000+ growers and 100+ buyers	- Manage 19+ trains → 5mmt+ capacity - Manage 1mmt+ road capacity	7 bulk elevators → 16mmt capacity 2 container facilities - Handle 2mmt non-grain commodities	Flour - National network → 12 facilities Malt 4 plants → 0.25mmt capacity
International	Canada 10 elevators	In-house ocean charter freight team	Canada 1 bulk elevator	Malt 14 plants (Canada, US, UK, Germany) → 1.1mmt capacity - Distribution (North America)
	Marketing			

- Australia:** National presence, marketing ~2mmt
- International:** Offices in Europe (Hamburg and UK), Asia (Singapore and representatives) and Canada (Calgary); marketing ~2mmt to ~25 countries

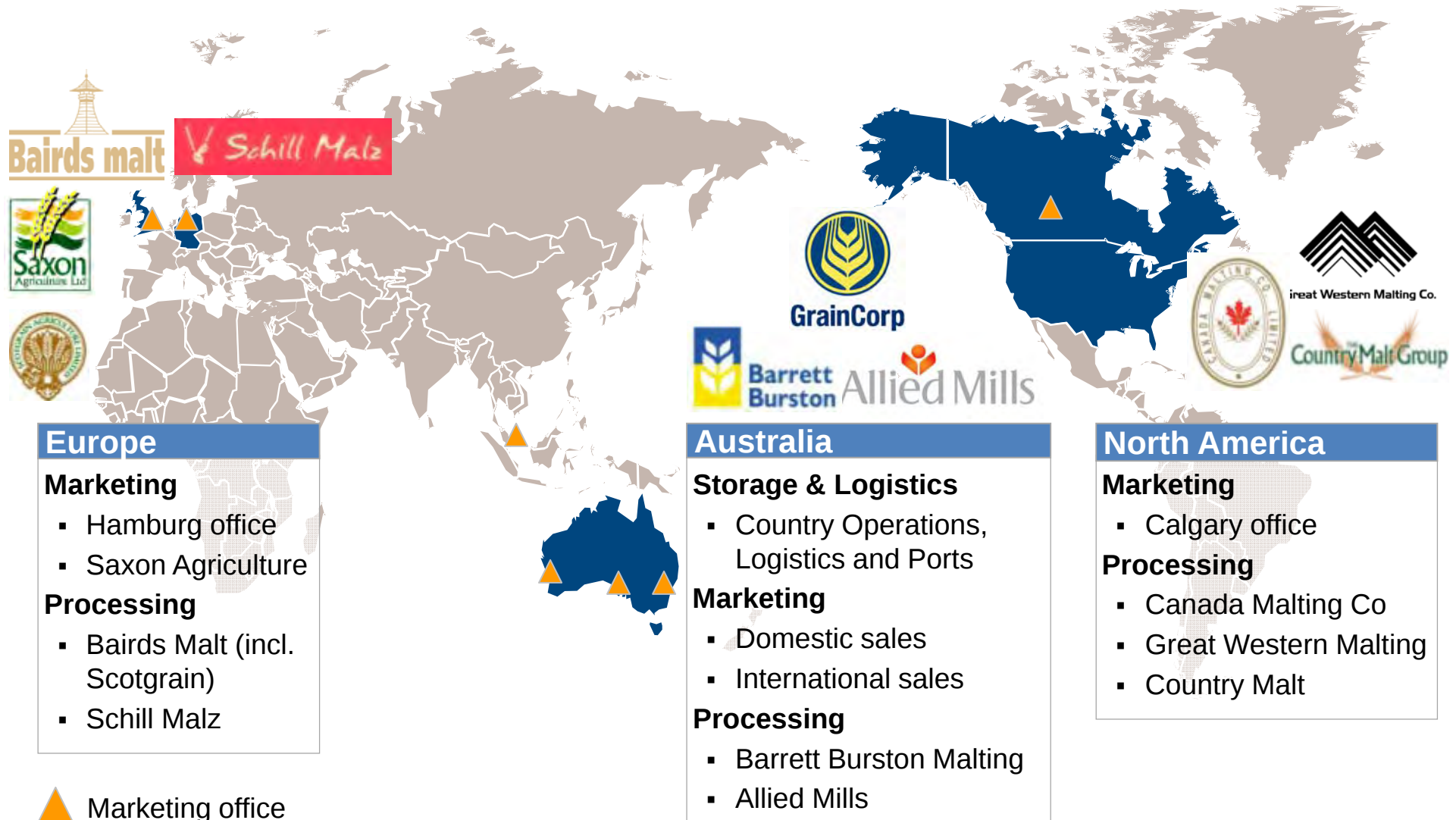
(1) Million metric tonnes

Our three integrated grain activities create value in our core grains

- Our business is more than a 'distributor' and 'manufacturer' of grain products
- We also create and capture value by owning grain along our grain chain

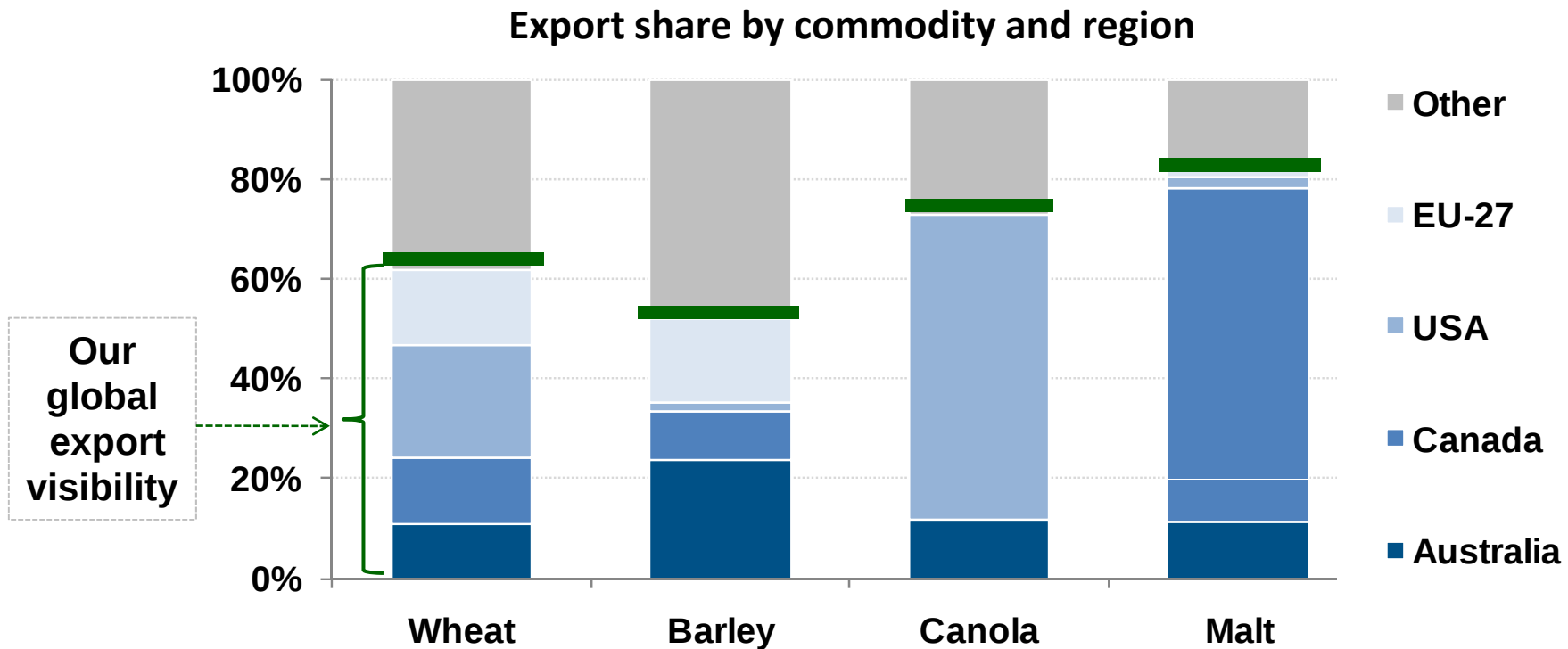


Our three operating geographies are linked to our core grains



Our core geographies give us insight

- Australia has a meaningful 10%+ share in the global trade of our core grains and malt
- Our geographies give us 50%+ visibility in the global trade of our core grains and malt



Our Strategy builds on our Business Model and 4 Strategic Themes



1 Strengthen our grain handling network

Develop improved capability from our network to retain and maximise grain volumes

2 Grow our grain Marketing business

Grow relationships to drive grain volume through our network and capture margin

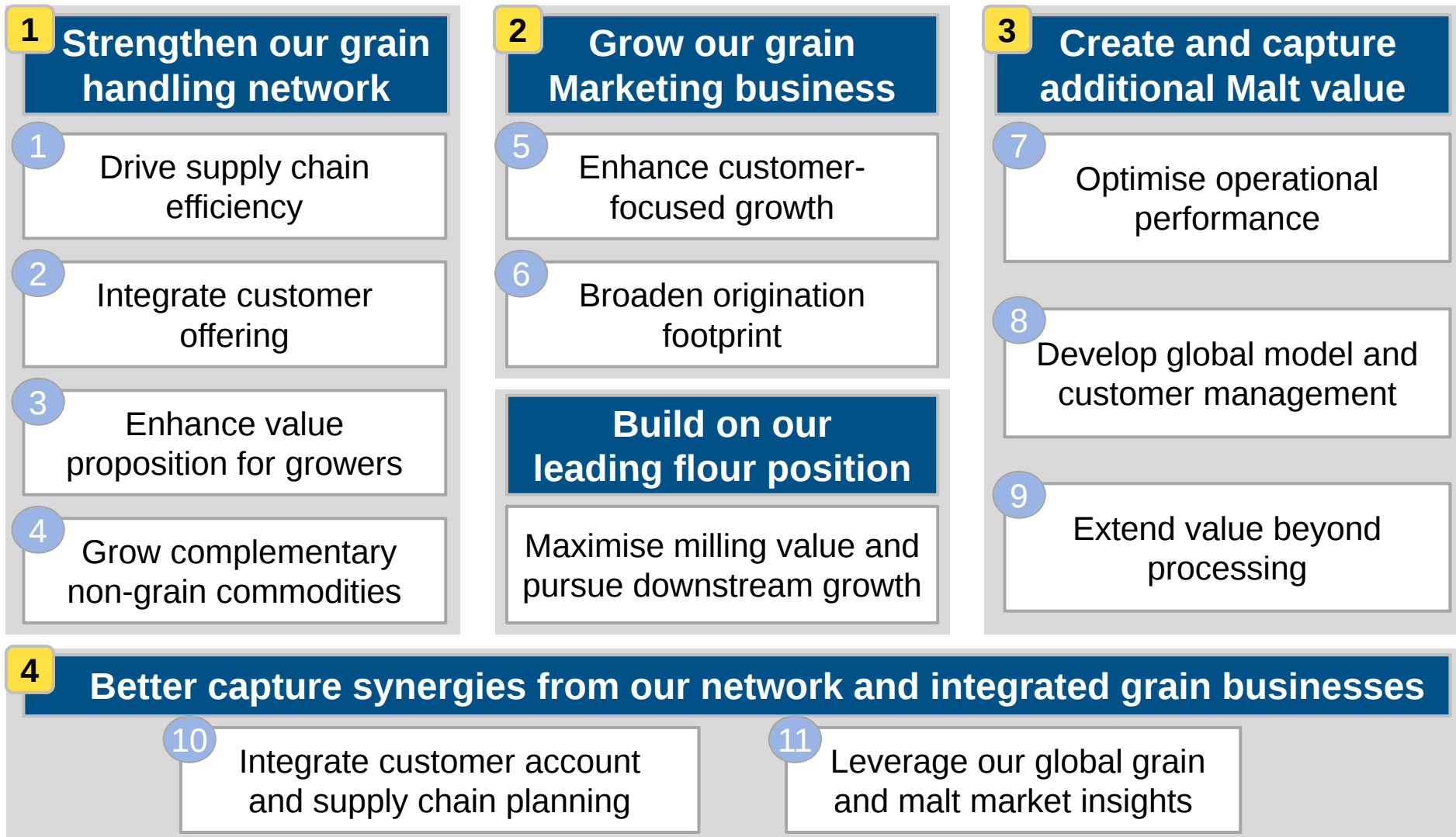
3 Create and capture additional Malt value

Harness our grain processing footprint and capabilities to develop a superior offering for our global and regional customers

4 Better capture synergies from our network and integrated grain businesses

Better capture synergies from our network and integrated grain businesses

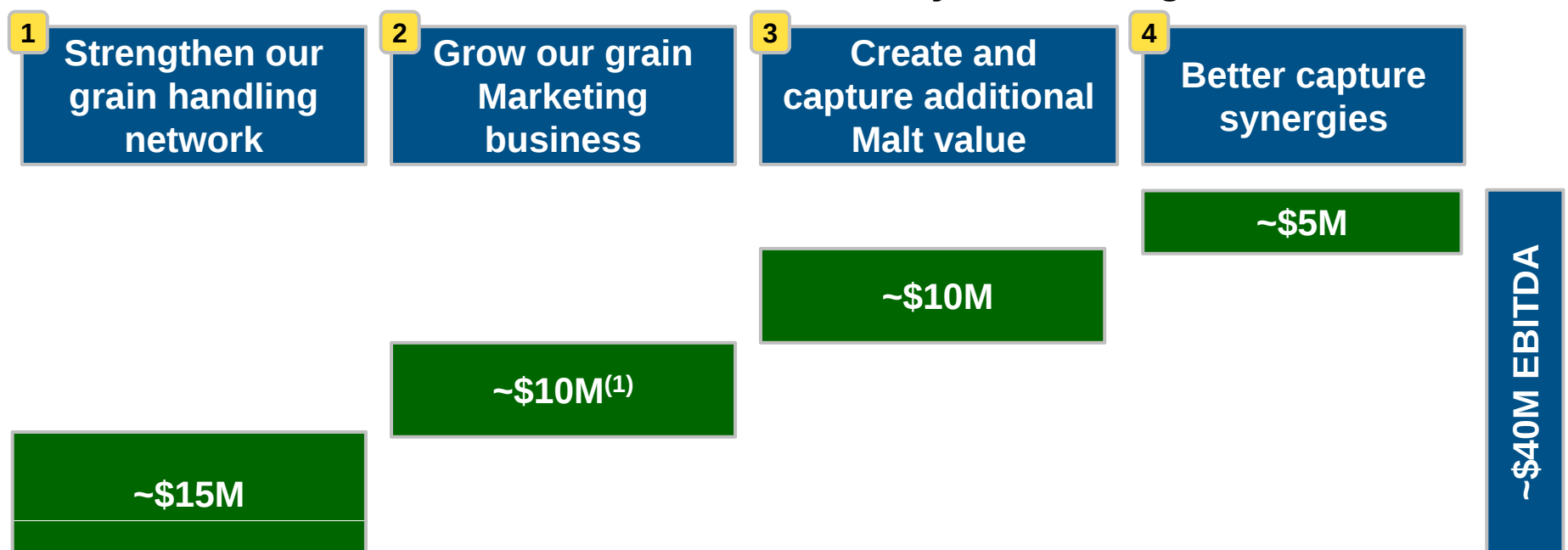
4 Strategic Themes and 11 Gamechangers



~\$40M additional underlying EBITDA

- In excess of \$40M additional underlying EBITDA from identified Gamechangers
- To be delivered over 3 years to end FY14 supported by \$80-120M capex
- Supports the growth of ROE through the cycle

~\$40M EBITDA delivered over 3 years ending FY14



GrainCorp Team to implement the strategy



Alison Watkins

Storage & Logistics
(Nigel Hart)

Marketing
(Sam Tainsh)

Malt
(Steve Haydon)

Corporate

Finance
(Alistair Bell)

Corporate Services
(Heather Miles)

Strategy & Development
(Neil Johns)

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24 May 2012
Neil Johns
Chief Development Officer



GLOBAL FOOD THEMES AND IMPLICATIONS FOR GRAINCORP

'Food Security' themes will drive the global grain supply chain



Growth to 2050



Population

35%

**Grain
Demand**

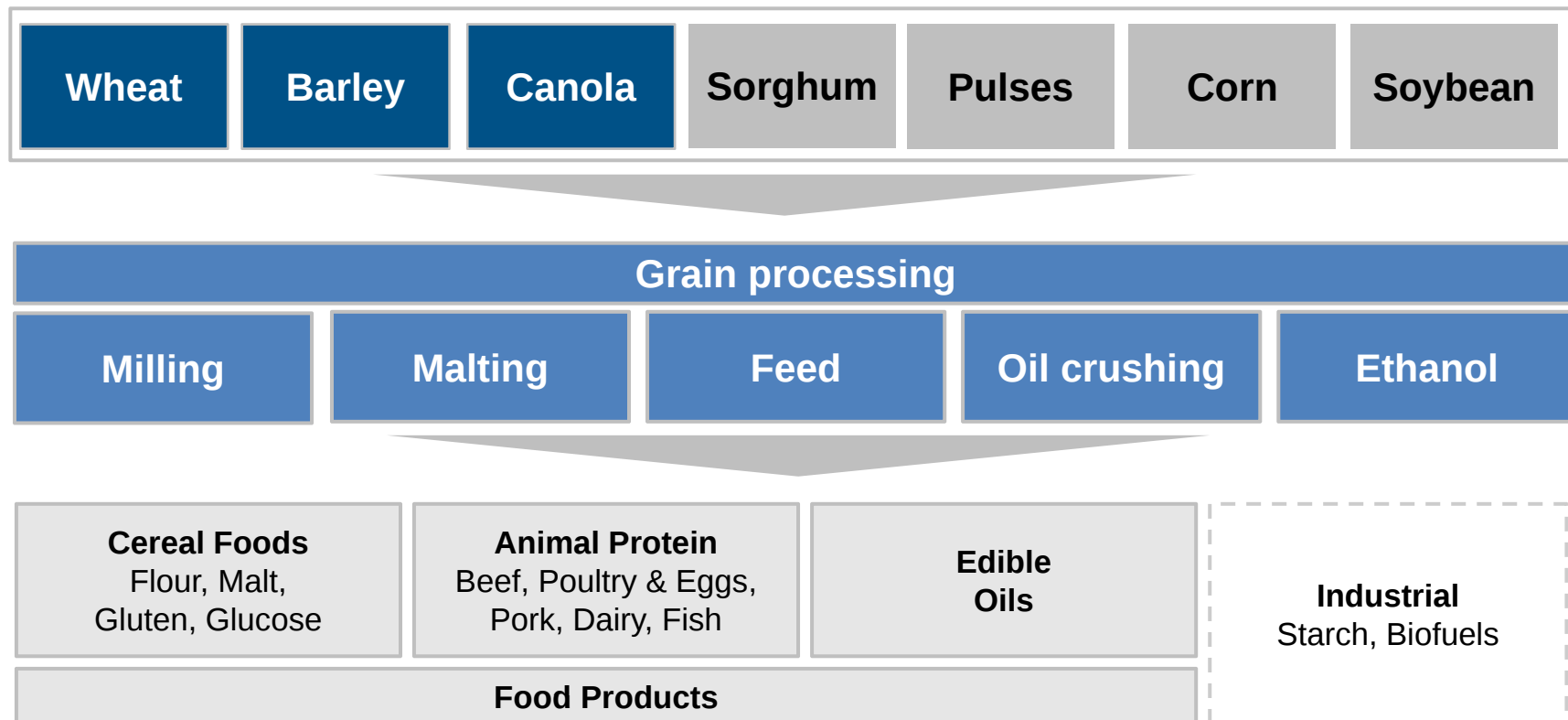
50%

**Exported
Grain**

100%

Grain industry underpins global food chain

- 2.3bmt⁽¹⁾ of grain drives a food supply chain that supplies ~60% global calories
- 55% of grain for cereal foods and beverages and 45% for animal protein foods

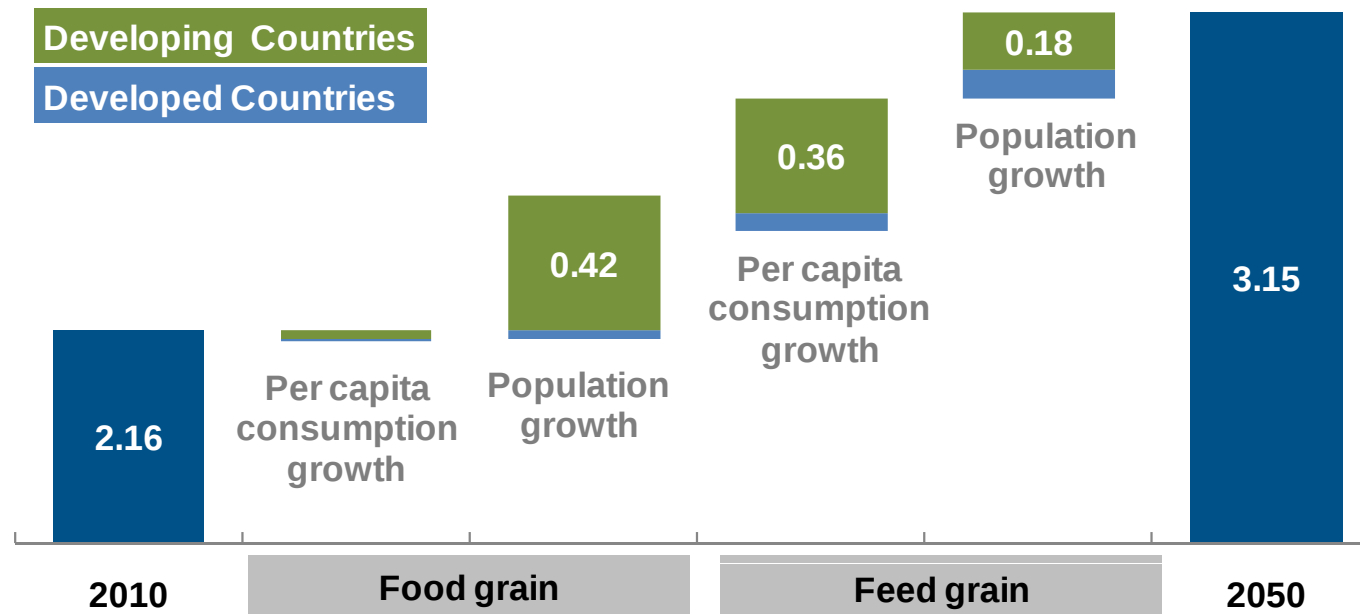


(1) Billion Metric Tonnes. Excludes rice.

Global grain demand to increase by 50%

- Global grain demand forecast to grow by 1bmt or 50% by 2050, driven by
 - 35% rise in population to 9.7 billion
 - 13% rise in per capita consumption of grain for animal feed (i.e meat and dairy)

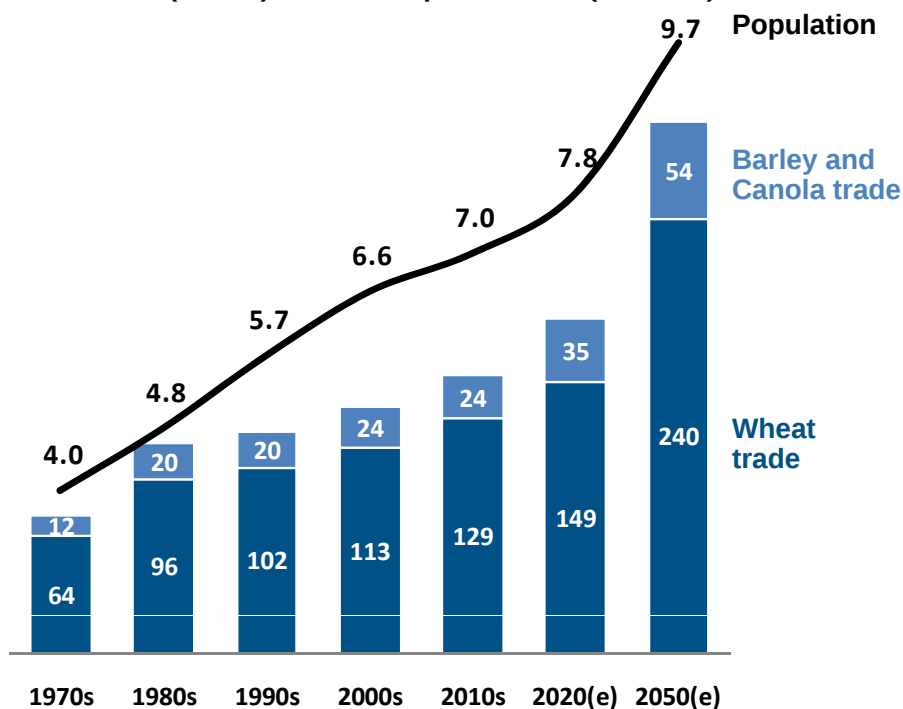
Grain consumption drivers to 2050 (bmt)



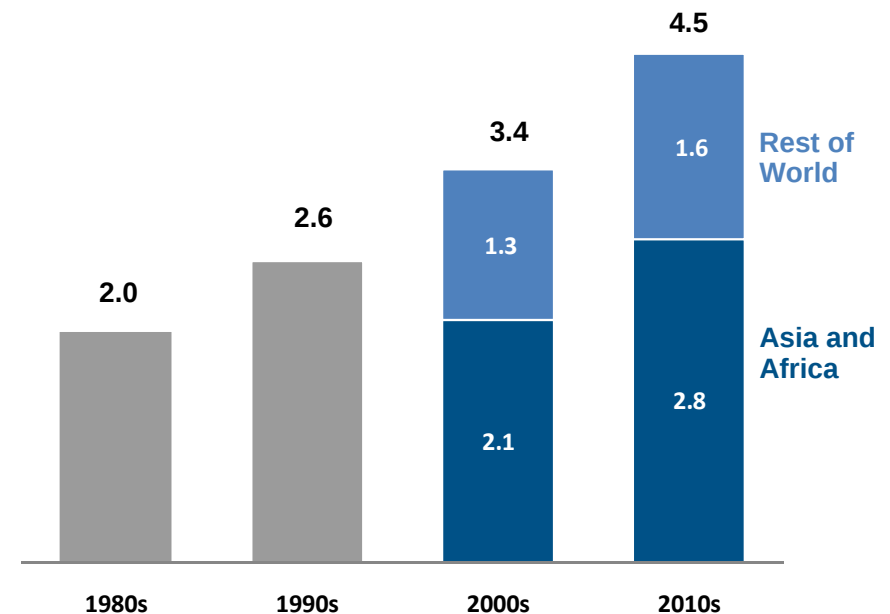
Global grain trade to increase by 100%

- Global wheat and malt export trade has doubled in the past 40 years
- Global trade of our core grains to increase from ~155mmt to ~300mmt pa by 2050

Past and projected global core grain trade
Trade (mmt) and Population (billion)



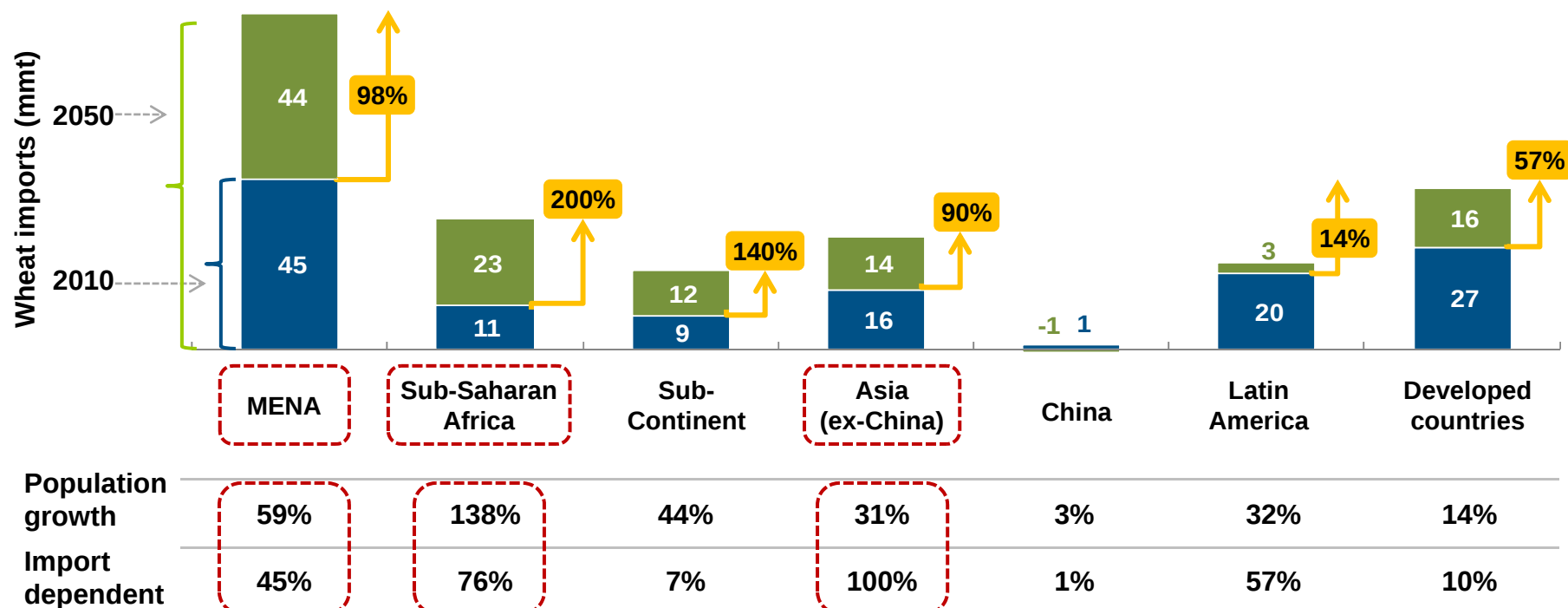
Past global malt trade
(mmt)



Uneven spread in global grain trade flows

- 80% of the increase in the global trade of our core grains will be wheat
- 75% of wheat trade growth driven by import dependent regions
 - Middle East & North Africa (MENA), Sub-Saharan Africa and Asia⁽¹⁾

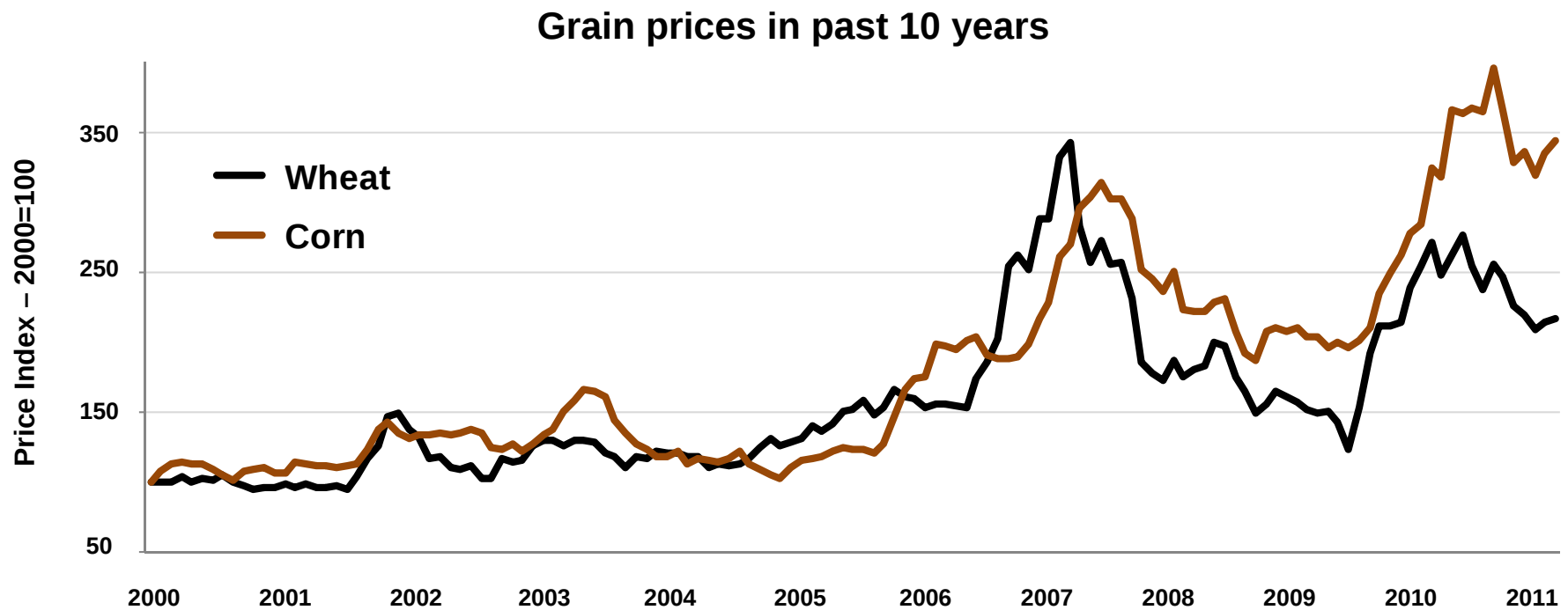
Forecast growth in wheat imports to 2050 (mmt)



(1) Excluding China
Source: GrainCorp estimates based on UN, FAO, USDA and US Wheat Associates

Internationalisation of grain markets

- Grain prices could trend higher with greater variability
- Grain prices will be increasingly transmitted and linked through global trade

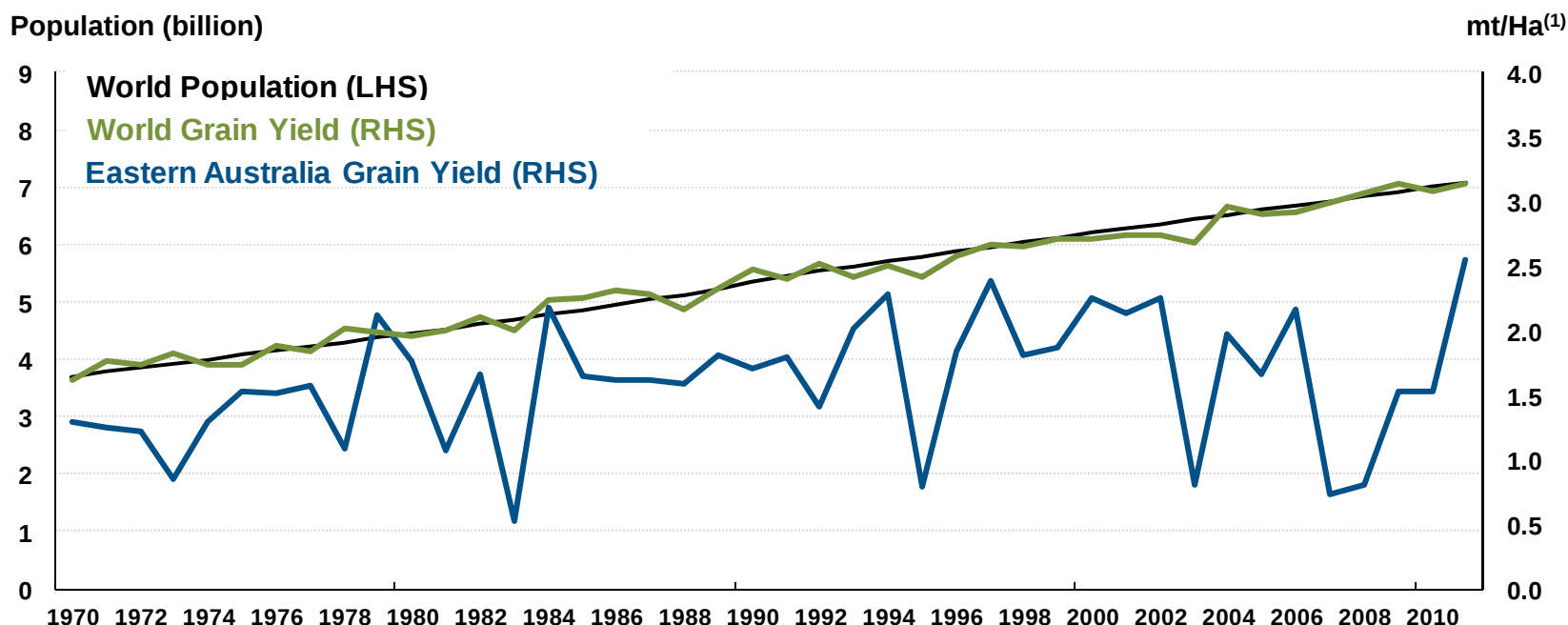


Increasing global grain yields to meet demand



- Higher grain prices will support increased grain yields
 - Grain yield has increased by ~1% pa in past 40 years
 - Continued improvement in farm practices, fertiliser usage and plant technology

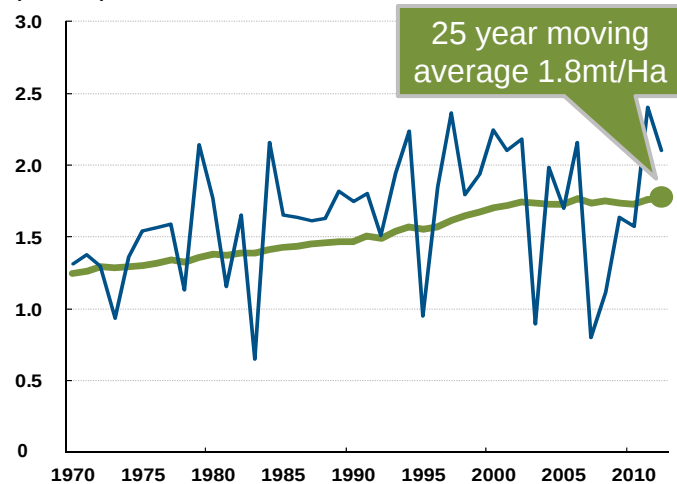
World and eastern Australian grain yields & population



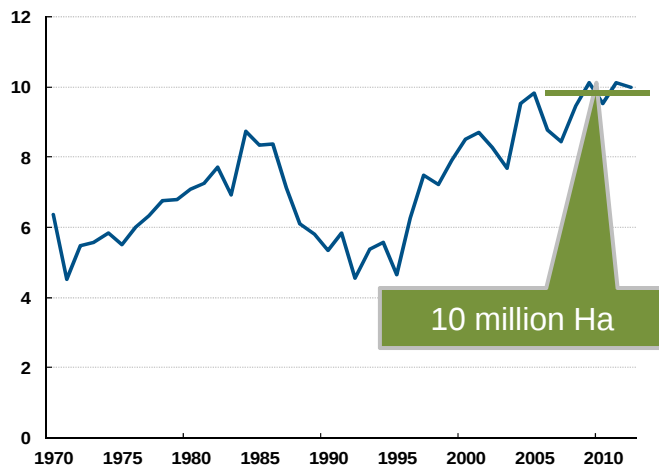
(1) Metric tonne per Hectare
Source: USDA, UN

GrainCorp opportunity: Normalised grain receivals and exports

Eastern Australia Grain Yield⁽¹⁾
(mt/Ha)



Eastern Australia Area Planted⁽¹⁾
(Million Hectares)



Yield
~1.8mt/Ha

X

Area
~10.0 million
Hectares

=

**Normalised
production**
~18.0mmt

GrainCorp receivals

Eastern Australia production
~18.0mmt

X

GrainCorp receival share
55-60%

=

Normalised receivals
10.0-10.5 mmt

GrainCorp exports

Eastern Australia production
~18.0mmt

—

Eastern Australia domestic
~10.0mmt

—

Containers and other exports
2.5-3.0mmt

=

Normalised bulk exports
5.0-5.5 mmt

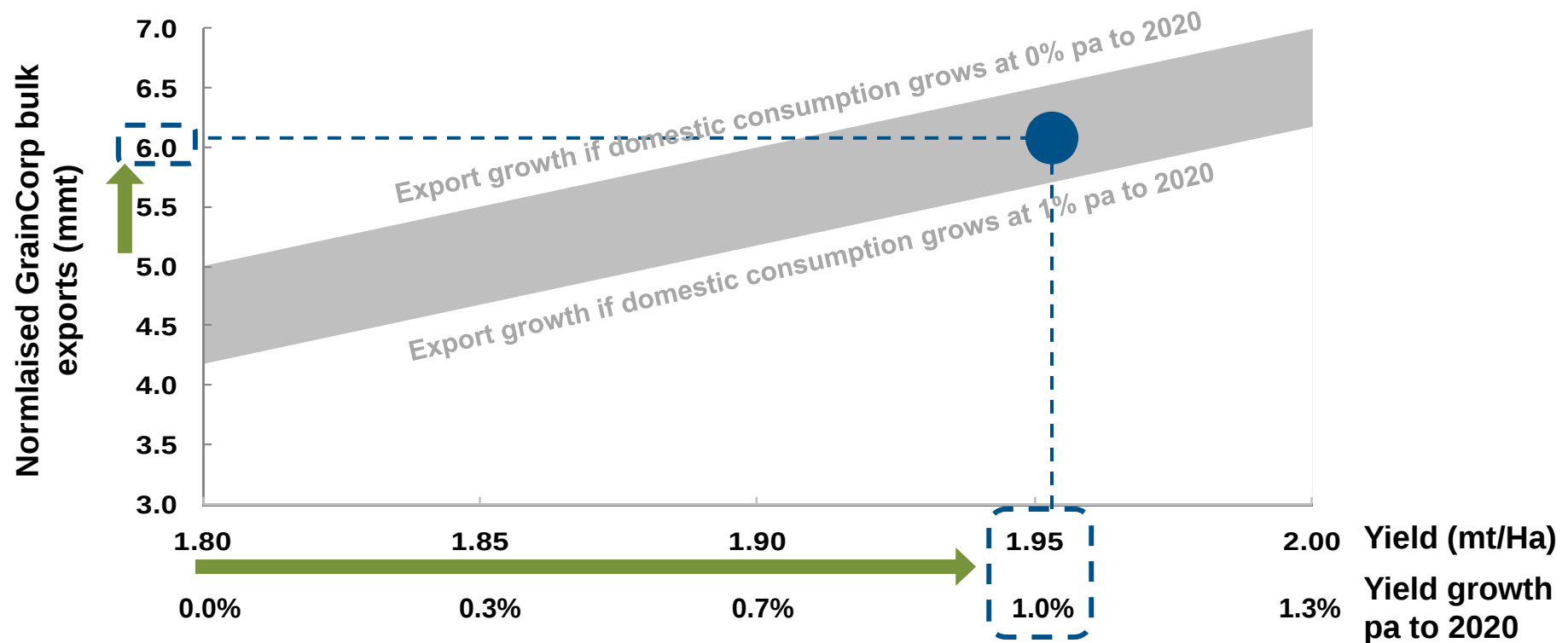
(1) ABARES wheat, barley, canola and sorghum estimates

GrainCorp opportunity: Increased yield would support growth



- If yield growth exceeds domestic demand growth, there will be a greater than proportionate increase in exports
 - E.g: ~10% grain yield increase to 1.95mt/Ha → grain exports ~20% higher

Scenarios for GrainCorp normalised bulk exports in 2020



24 May 2012
Nigel Hart
Group General Manager – Storage & Logistics



STORAGE & LOGISTICS

Storage & Logistics Gamechangers

1 Strengthen our grain handling network

- 1 Drive supply chain efficiency
- 2 Integrate customer offering
- 3 Enhance value proposition for growers
- 4 Grow complementary non-grain commodities

2 Grow our grain Marketing business

- 5 Enhance customer-focused growth
- 6 Broaden origination footprint

Build on our leading flour position

- Maximise milling value and pursue downstream growth

3 Create and capture additional Malt value

- 7 Optimise operational performance
- 8 Develop global model and customer management
- 9 Extend value beyond processing

4 Better capture synergies from our network and integrated grain businesses

- 10 Integrate customer account and supply chain planning
- 11 Leverage our global grain and malt market insights

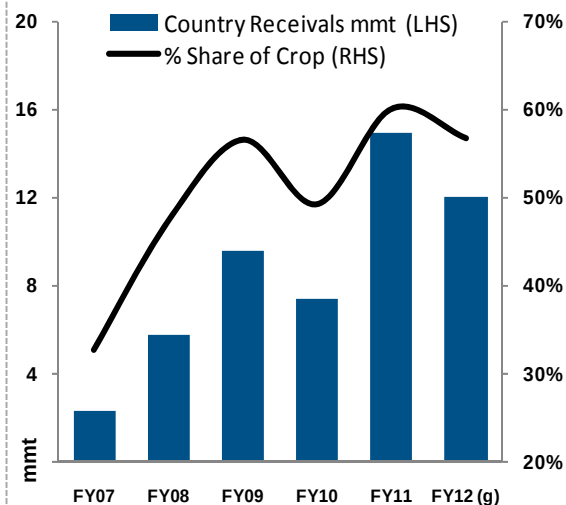
We have developed a compelling storage and handling package for customers



Country

- Flexible network of 280+ receival sites
- 20mmt storage capacity
- 55-60% market share⁽¹⁾
- Serving 10,000+ growers and 100+ buyers

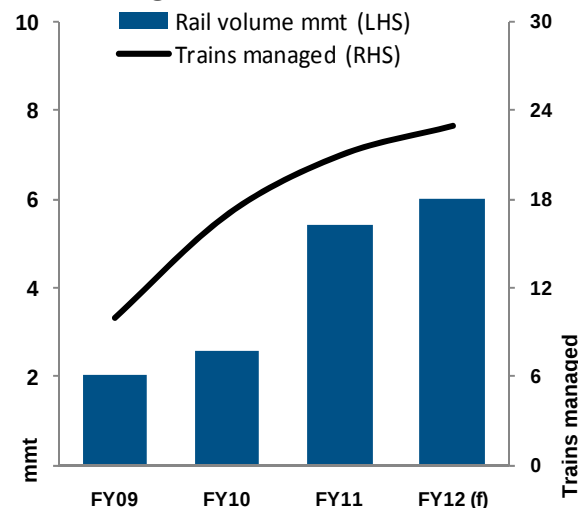
Receivals – volume and share⁽¹⁾



Logistics

- 19+ trains managed
- 5mmt+ rail capacity
- 60% market share
- Manage 1mmt+ road freight
- Serving domestic and export customers

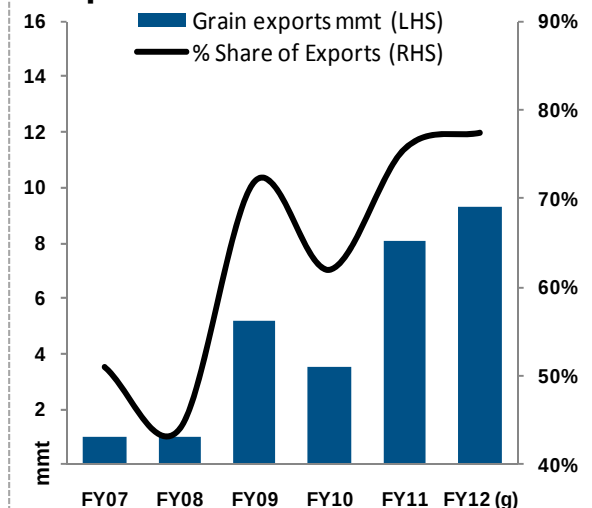
Rail freight – volume and trains



Ports

- 9 export terminals⁽²⁾
- 16mmt capacity
- 75% export share (bulk and containers)
- Open access, serving 20+ exporters

Exports – volume and share⁽³⁾



(1) Share of ABARES' wheat, barley, canola and sorghum production estimates for Australia's eastern states

(2) 7 bulk and 2 container terminals

(3) Share of eastern Australian grain exports (bulk and containers)

We operate in a competitive eastern Australian grain market

- Key drivers of our Storage & Logistics environment are capacity and competition

Country	Logistics	Ports
• ~10mmt domestic consumption with first call on grain • ~20mmt of storage capacity in addition to our 20mmt	• ~3mmt pa of rail freight capacity in addition to our 5mmt+ pa • Increasing use of road for export → now ~3mmt pa	• 4mmt pa export capacity (bulk and containers) in addition to our 16mmt bulk capacity pa • Growth of containerised grain exports → now ~2.5mmt pa
		

Our unique and competitive offering – we're more than just a grain handler



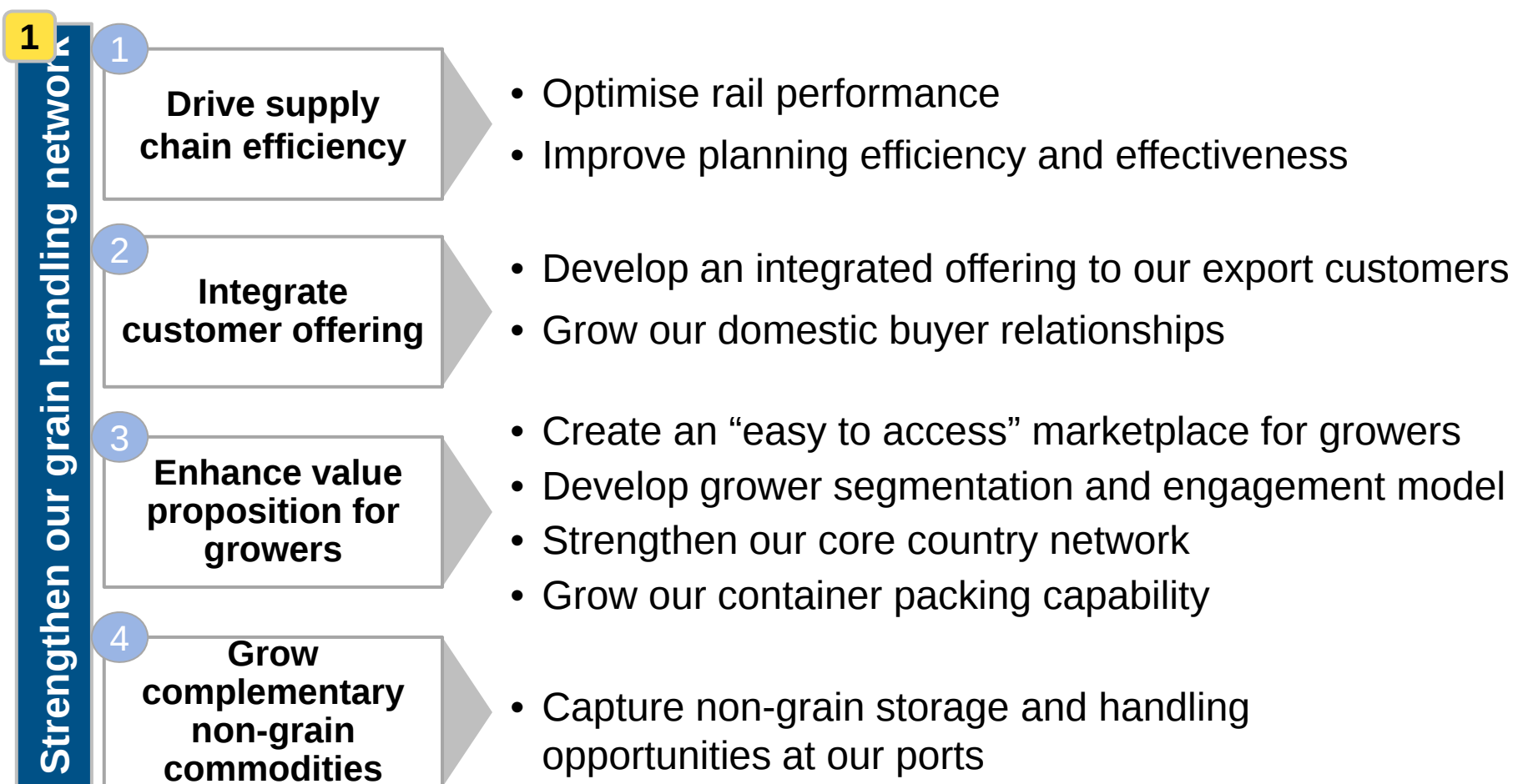
- ✓ **Network flexibility** → grain accumulation and execution capability
- ✓ **Quality assurance** → grain quality management along the grain chain
- ✓ **Insight** → ability to match grain profile with customer needs
- ✓ **Grain securitisation** → grower and buyer confidence to trade
- ✓ **Market place** → title transfer supports price discovery
- ✓ **Commercial access** → role as both principal and agent for grain



Strategy to maximise the attractiveness of our network



- Target incremental underlying EBITDA → ~\$15M
- Focus → improved capability from our network to maintain share and improve margin



1 Drive supply chain efficiency

Optimise rail performance

- **Target** → optimise network capability and improve rail productivity by 20%
- Reduce down time and under loading
- Invest to improve capacity
- Develop performance dashboards

Refurbish 18 locomotives



Improve planning efficiency and effectiveness

- **Target** → improve network efficiency to reduce supply chain costs
- Introduce flexible stock system
- Improve demand forecasting and develop supporting processes
- Invest to upgrade GrainTransact

Upgrade receival site planning capability



2 Integrate customer offering

Develop an integrated offering to our export customers

- **Target** → develop capacity planning alternatives for export customers
- Match rail capacity and investment with export customer requirements
- Improve capacity certainty for customers → consider LTAs⁽¹⁾

Improve ship loading capacity certainty



Grow our domestic buyer relationships

- **Target** → increase grain supply to domestic animal feed market
- Improve our grain accumulation services
- Expand our suite of products tailored for domestic consumers

Grow supply to domestic feedlots



(1) Long Term Agreements

3 Enhance value proposition for growers

Create an “easy to access” marketplace for growers

- **Target** → develop tools to improve growers’ access to market
- Expand on line functionality for growers with grain in storage

Launch smartphone app



Develop grower segmentation and engagement model

- **Target** → develop segment approach to meet the different needs of growers
- Develop innovative integrated service offerings
- Introduce products to optimise the value of each grain delivery

Develop innovative service agreements



3 Enhance value proposition for growers

Strengthen our core country network

- **Target** → invest \$20M+ to improve grower site service
- Acquire new mobile equipment to improve site delivery turnaround times
- Ensure operating hours match demand → flexibility and longevity

Acquire 20+ new grain stackers



Grow our container packing capability

- **Target** → grow containerised exports beyond 20% market share
- Leverage our complementary supply chain assets
- Develop new container packing facilities at country sites

Develop country container facilities



4

Grow complementary non-grain commodities

Capture non-grain storage and handling opportunities at our ports

- **Target** → grow non-grain export and import storage and handling activity
- Increase non-grain exports to > 2.0mmt pa and grow non-grain imports
- Support investment with LTAs

Grow Portland woodchip exports



Grow Geelong fertiliser imports



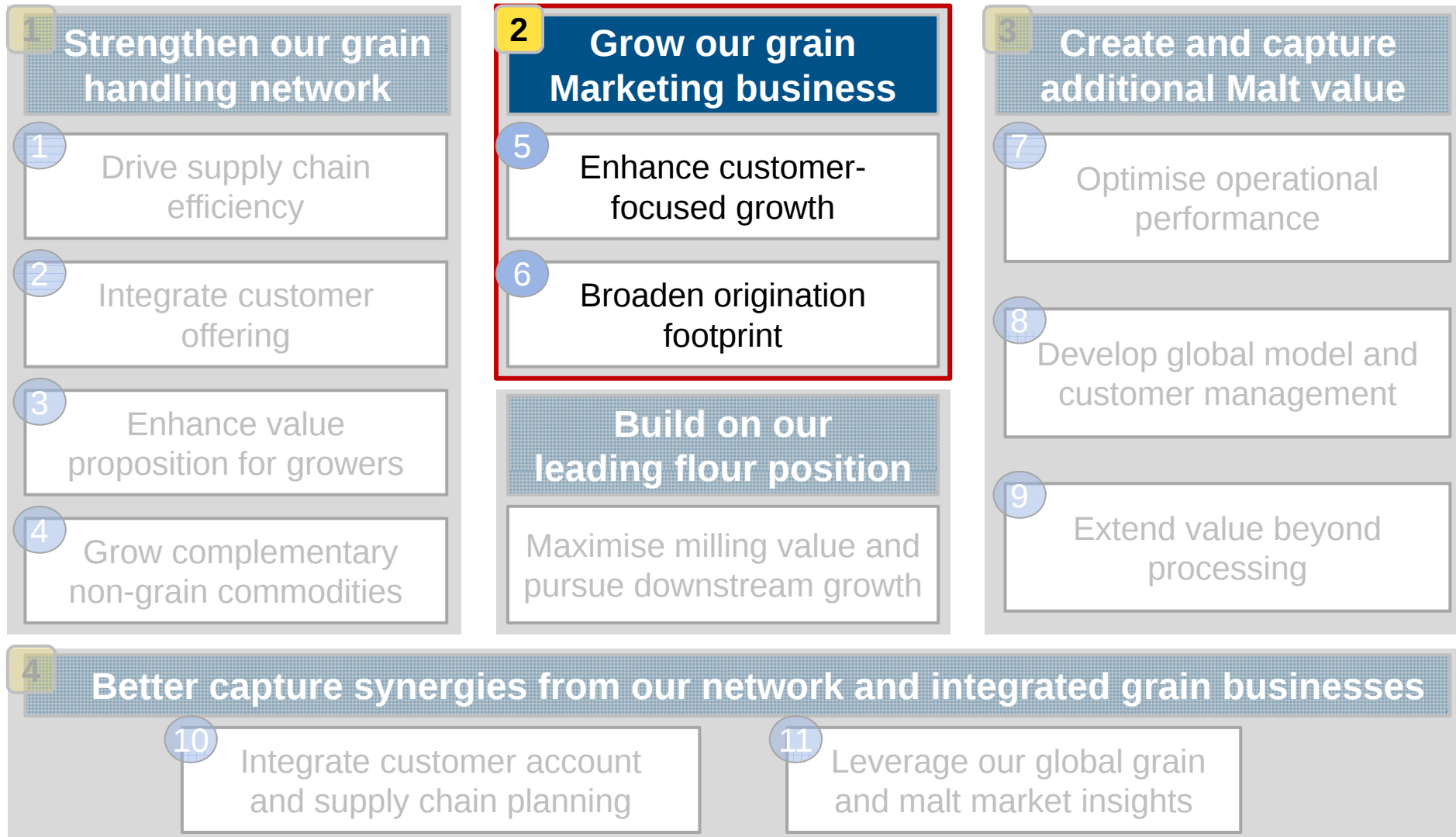
24 May 2012
Sam Tainsh
General Manager – Marketing



GrainCorp

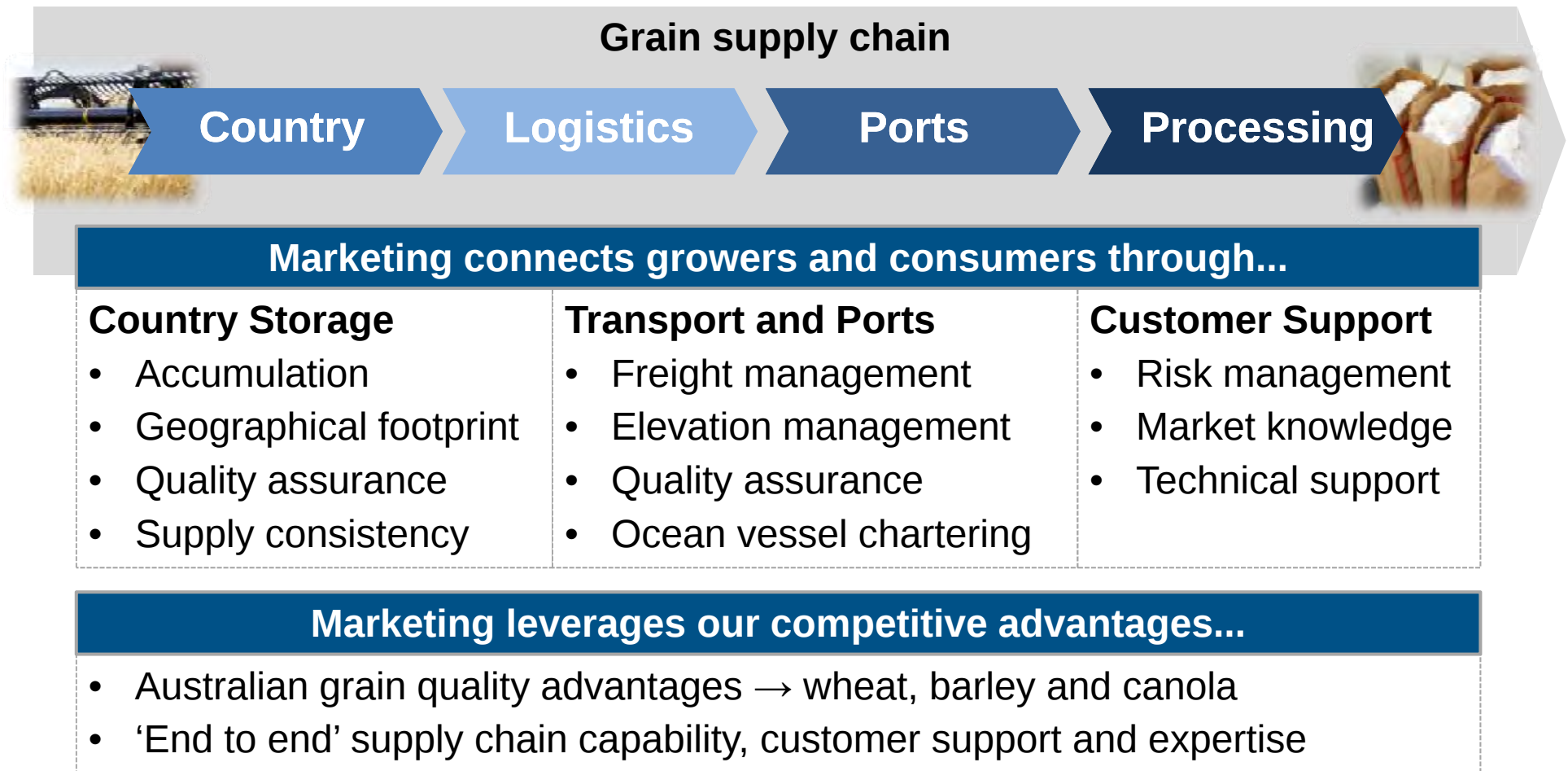
MARKETING

Marketing Gamechangers



Linking our asset intensive supply chain

- Our Marketing Business Model → domestic and international grain marketing



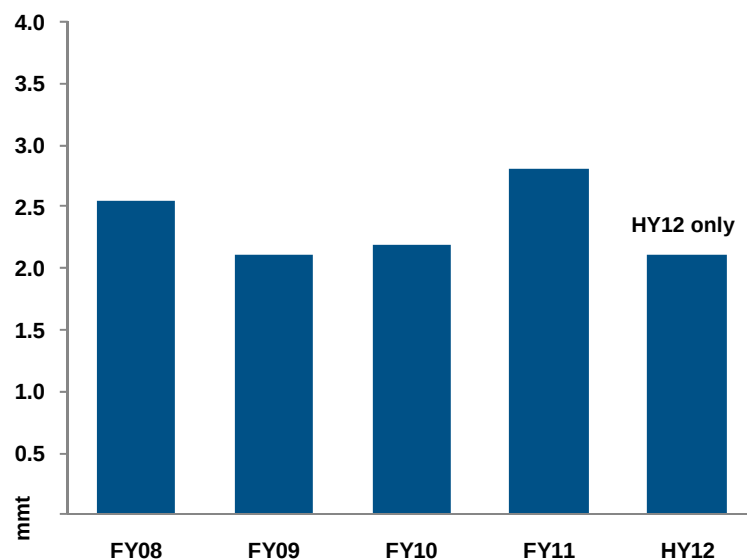
Constant domestic sales and strong export growth



Domestic Australia

- Higher volumes and improved customer service
- National Marketing capability
- Strong eastern Australian presence

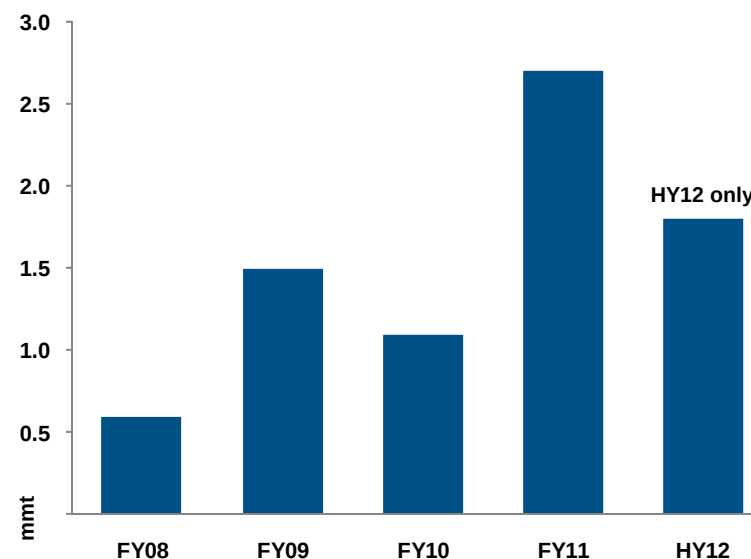
Domestic sales volume (mmt)



International

- Expanding export capabilities → Australia, Europe and Canada
- Building sustainable customer relationships focused on our core grains
- In-house ocean freight procurement

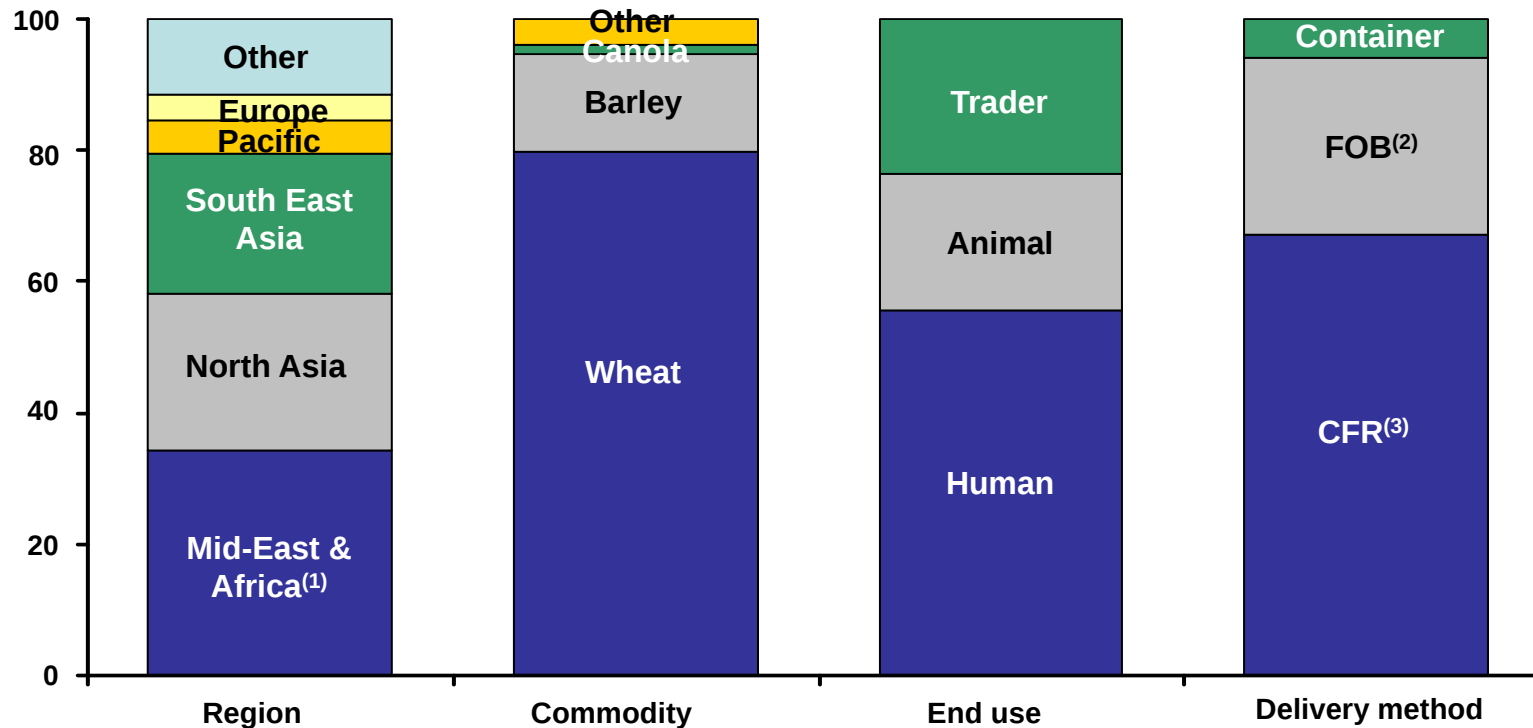
Export sales volume (mmt)



Who are our overseas customers

- A broad base of 60+ overseas consumers of our core grains
- We have doubled our Marketing export volumes in the past 3 years

GrainCorp export volumes by region, commodity, end use and delivery
(3 year average %)



(1) Middle East and Africa

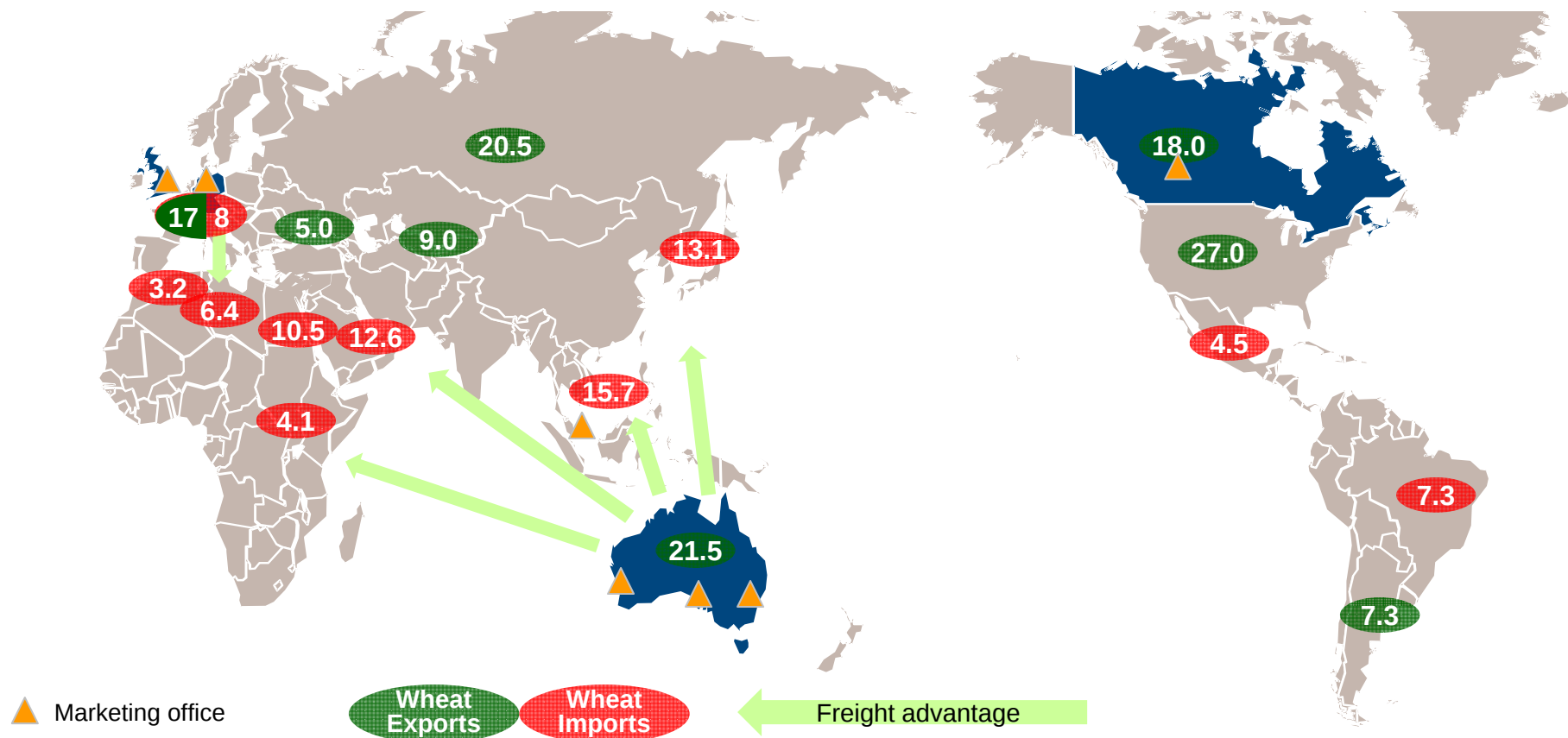
(2) Free on Board – title transferred at departure port

(3) Cargo and Freight – title transferred at destination port

Competitive global environment

- Australia is freight advantaged to Middle East, Asia and eastern Africa
- International presence complements our Australian freight advantage

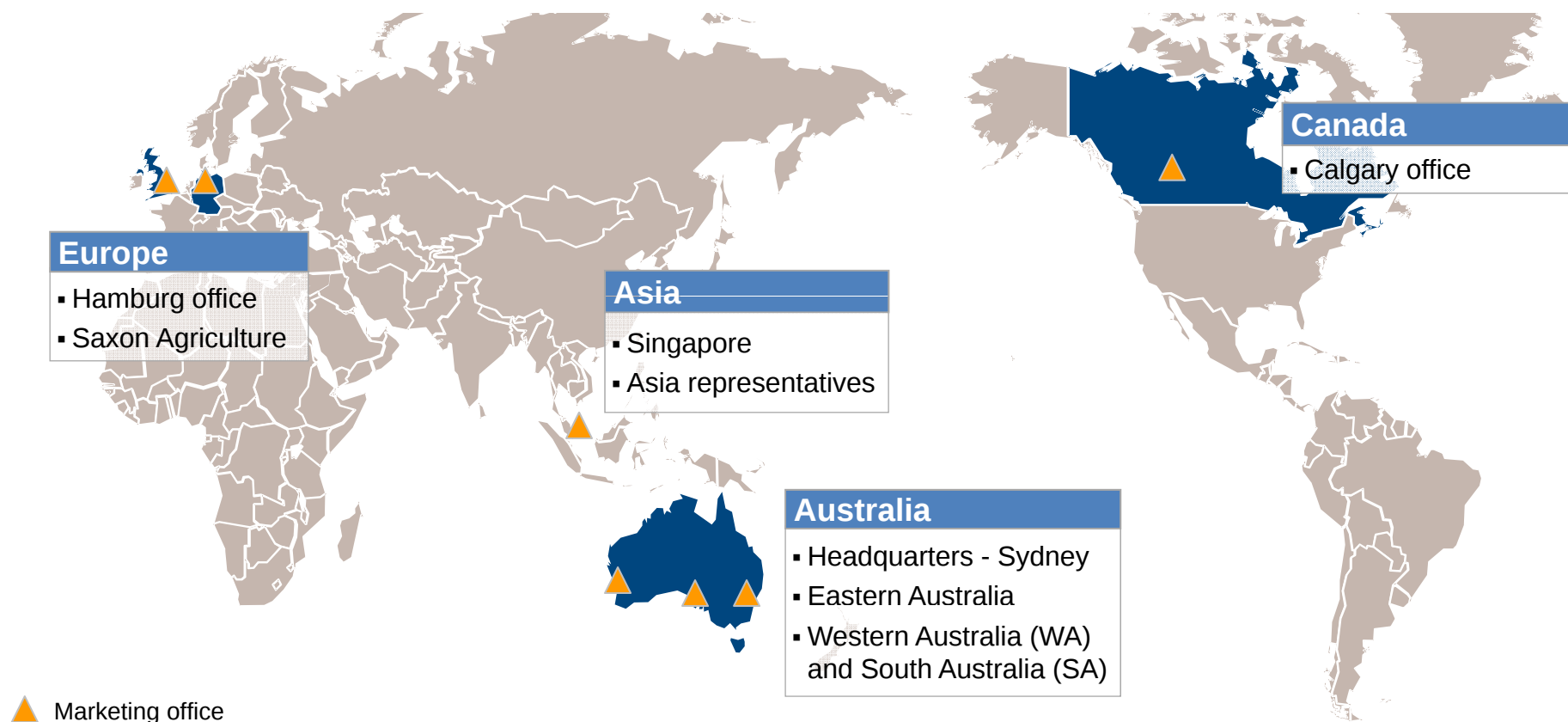
Global Wheat Exports/Imports – mmt (2011/2012) and Australian Freight Advantages



Our growing international presence

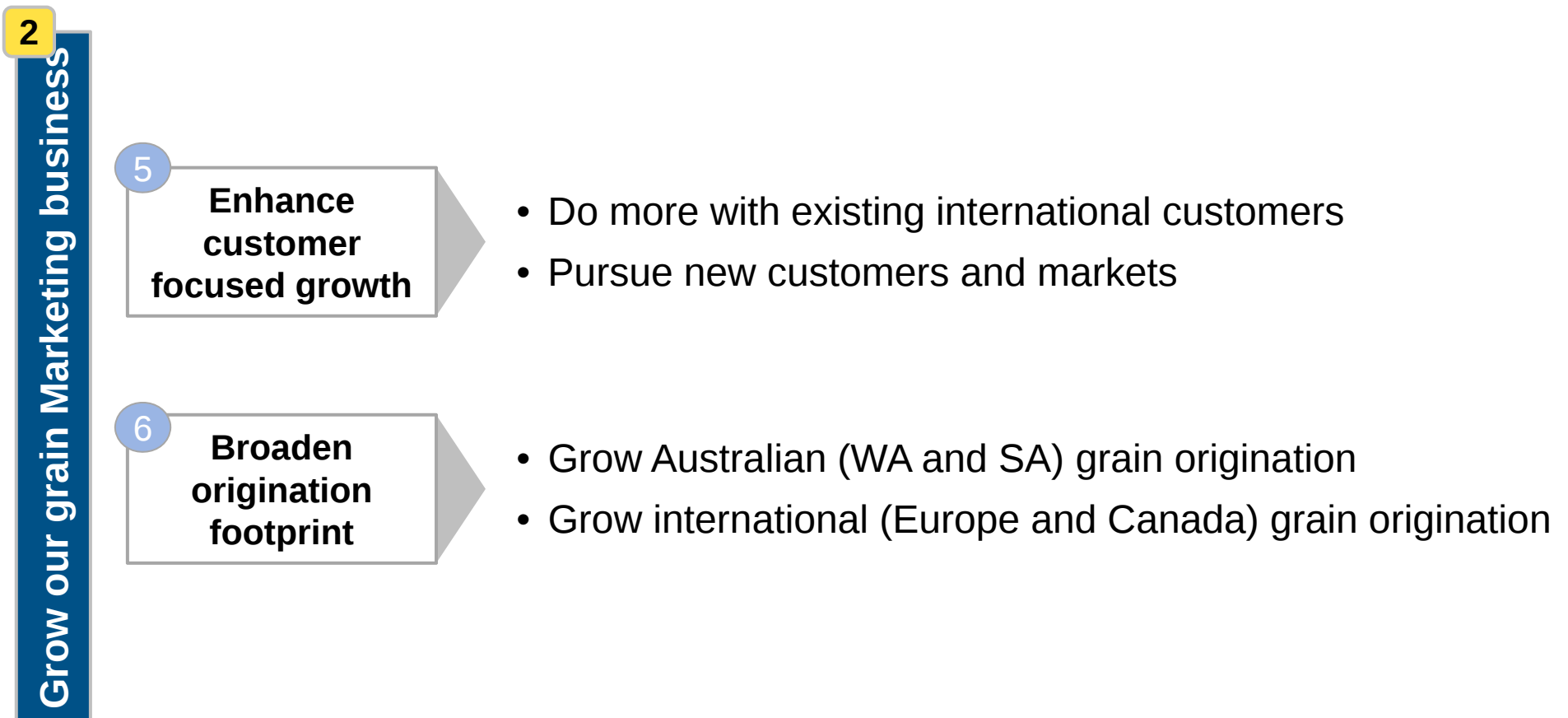
- Market intelligence key → close to supply fundamentals and supports our offering to overseas customers
- We have visibility across 50%+ global export trade of each of our core grains

GrainCorp Marketing international presence



Strategy to grow our domestic and export Marketing activity

- Target incremental underlying PBT → ~\$10M
- Focus → Grow relationships with domestic and international customers to market an additional 1-2mmt of our core grains



5 Enhance customer focused growth

Do more with existing international customers

- **Target** → grow core grain exports to existing customers
- Service through supply chain capability and technical support
- Develop service offering to meet unmet customer demand

Grow grain exports to existing customers



Pursue new customers and markets

- **Target** → grow core grain exports to new customers and markets
- Harness global demand opportunities and independent supplier position
- Leverage our competitive advantages (supply chain, grain quality, expertise)

Grow grain exports to new customers



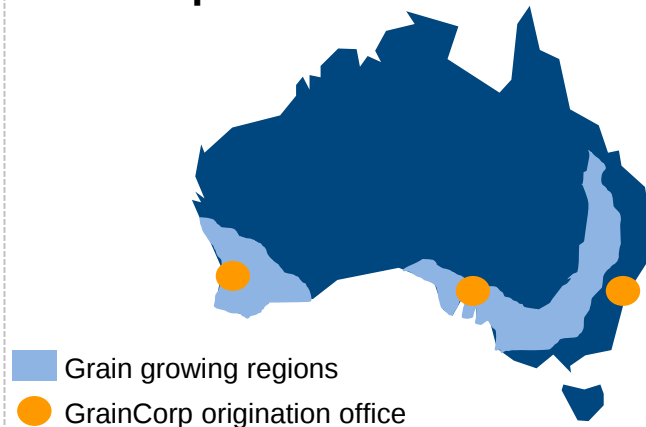
6 Broaden origination footprint

Grow Australian (WA and SA) grain origination

- **Target** → grow core grain exports from WA and SA

- Grow our WA and SA capability
- Develop our suite of WA and SA marketing alternatives

Grow exports from WA and SA

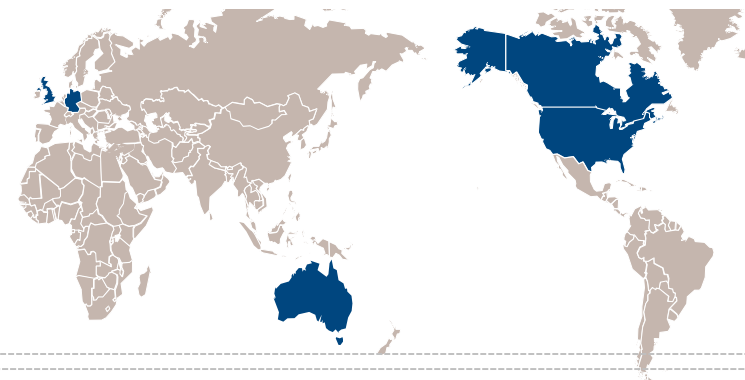


Grow international (Europe and Canada) grain origination

- **Target** → grow core grain exports from our core geographies

- Expand our international capability
- Leverage our Malt portfolio
- Grow exports on an asset light basis
- Capture market intelligence

Leverage our core geographies



- Develop new integrated global trading and risk management system

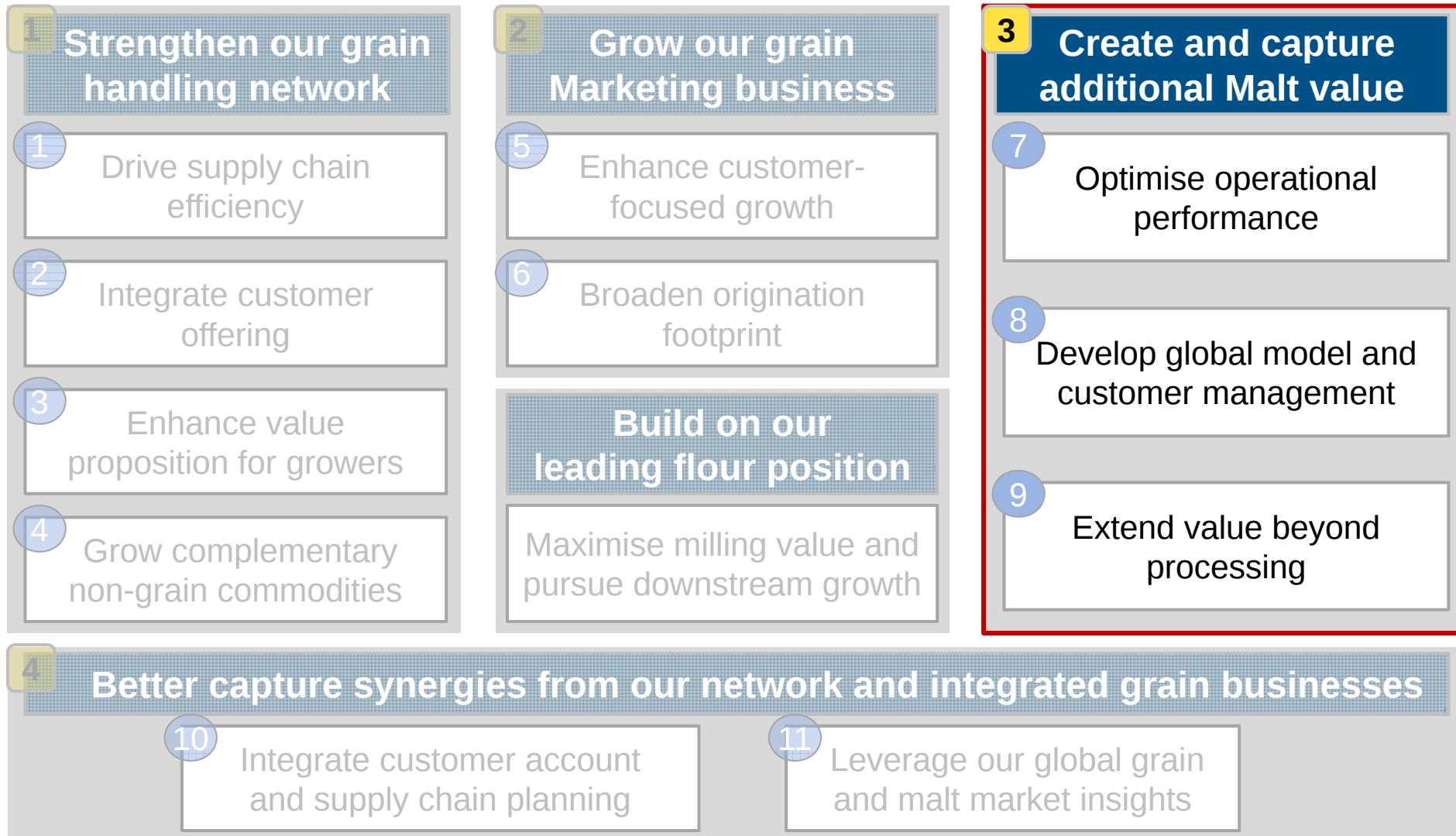
24 May 2012
Steve Haydon
CEO – GrainCorp Malt



GrainCorp

MALT

Malt Gamechangers



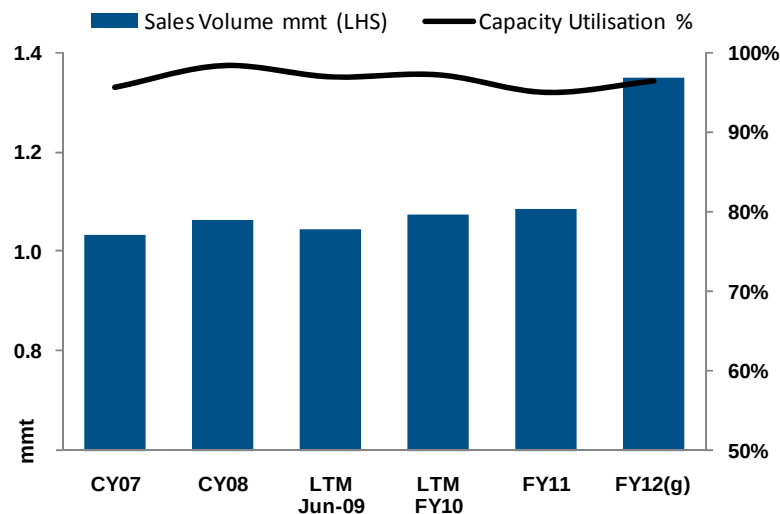
We have developed an integrated Malt business that provides a platform for growth



Strong global position

- 18 plants with 1.4mmt capacity → 4th largest commercial maltster
- Operations in 5 countries → world's major barley and malt regions
- Good capacity utilisation

Malt sales volume and capacity utilisation⁽¹⁾



(1) LTM – Like Twelve Months

Broad customer base

- Service >800 customers
- Diverse range of customer channels
 - Global brewers
 - Regional brewers
 - Distillers
 - Craft brewers
 - Food manufacturers
- Domestic and export participation
 - 70% of sales to domestic customers
 - 30% export sales
- Export to all continents including developing world growth markets

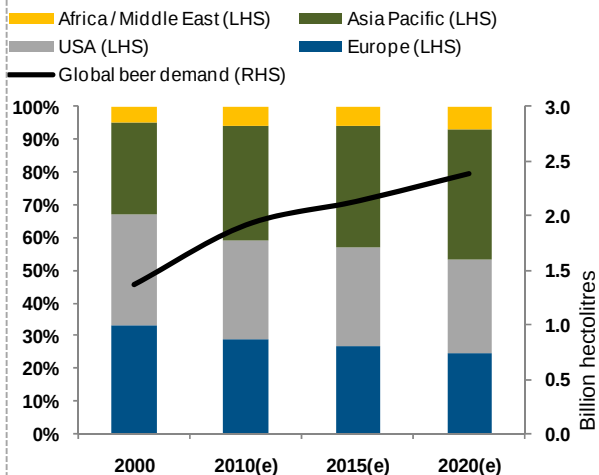
While margins are under short term pressure – medium term demand fundamentals are sound



Global beer demand

- Forecast to grow ~2% pa
- Led by developing countries → population growth
- Softening demand in mature markets

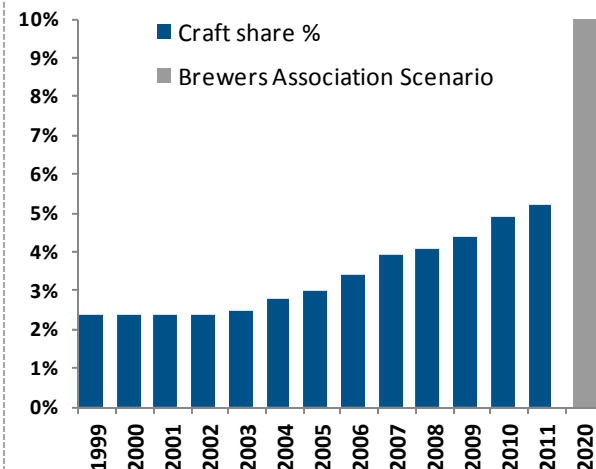
Rising and changing mix of global beer demand⁽¹⁾



Craft beer demand

- Change in beer sales mix
- Craft beer gaining higher share of total beer market
- Craft beer uses more malt per hectolitre of beer

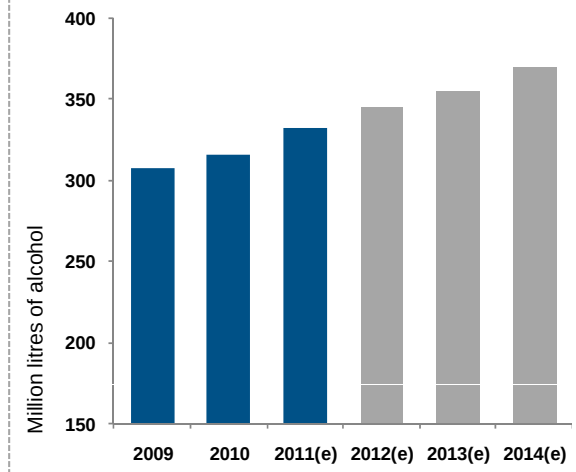
Craft beer's increasing share of US beer market⁽²⁾



Global whisky demand

- Forecast to grow ~4% pa
- Lead by developing countries → rising affluence
- Represents majority of Scottish malt demand

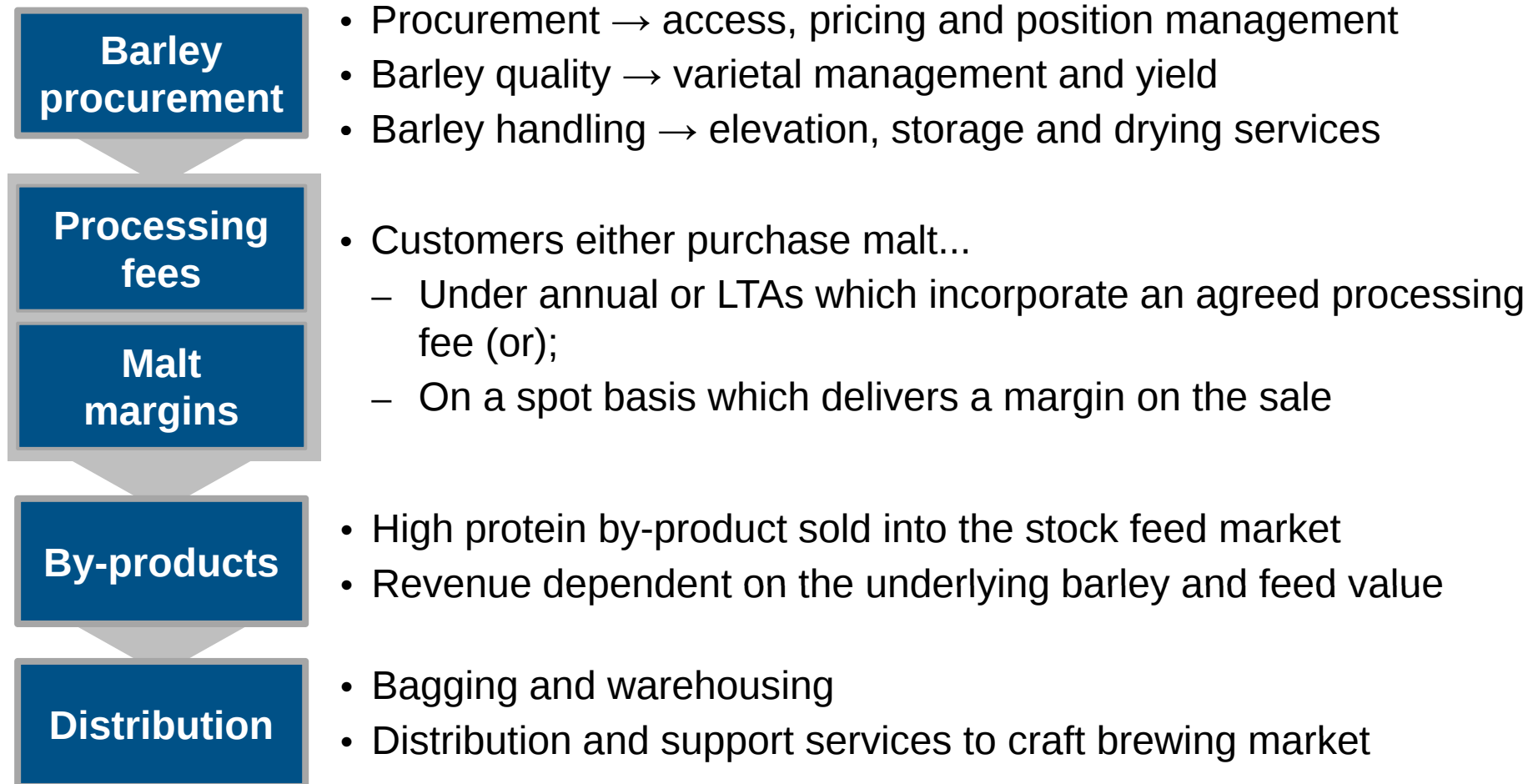
Whisky demand growing⁽³⁾



(1) Source: Plato Logic
 (2) Source: Brewers Association
 (3) Source: Sutherlands

Value is created at each stage of the malt supply chain

- Malt's earnings are generated along the malt supply chain

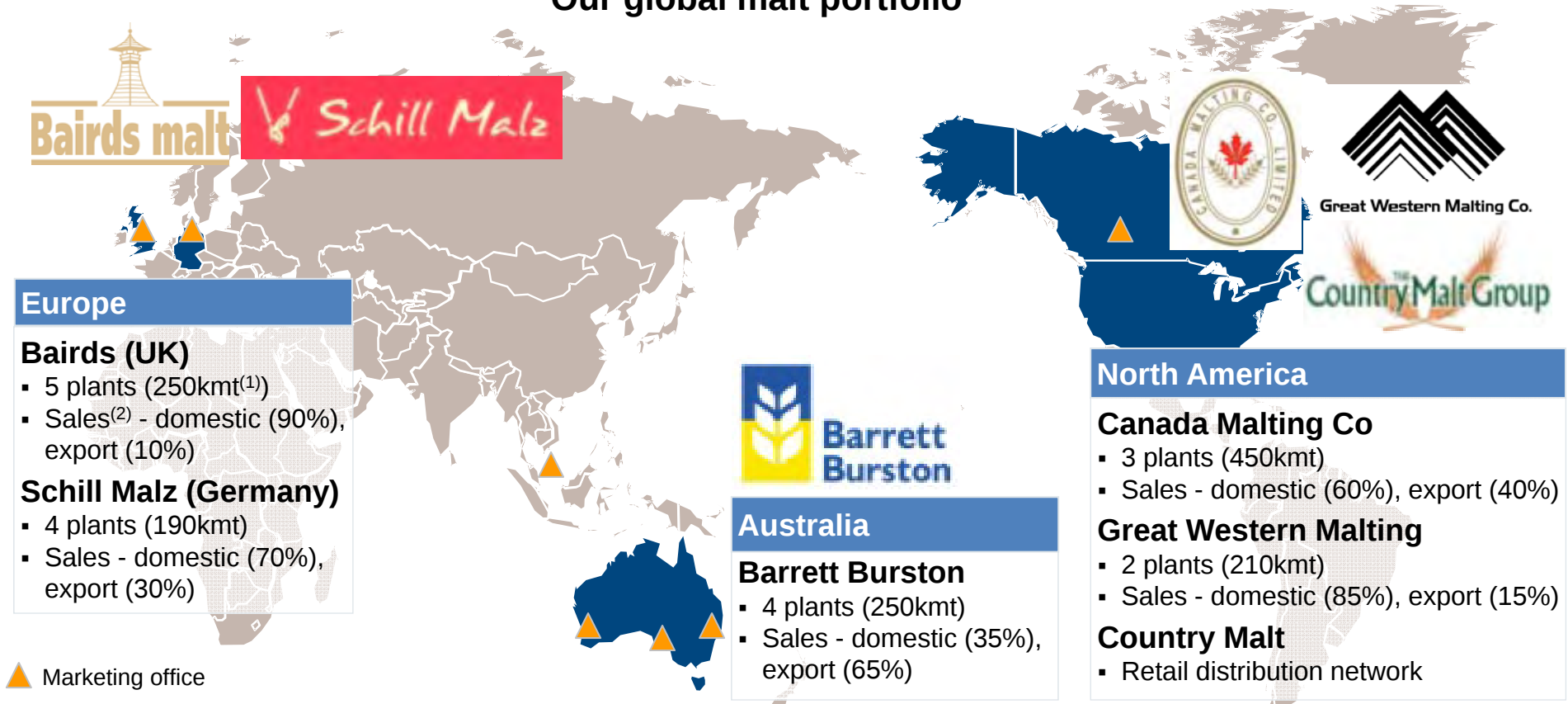


Our global malt portfolio provides a strong competitive position



- Positioned across ~60% of world's barley production
- Located in regions that supply ~80% of global malt exports

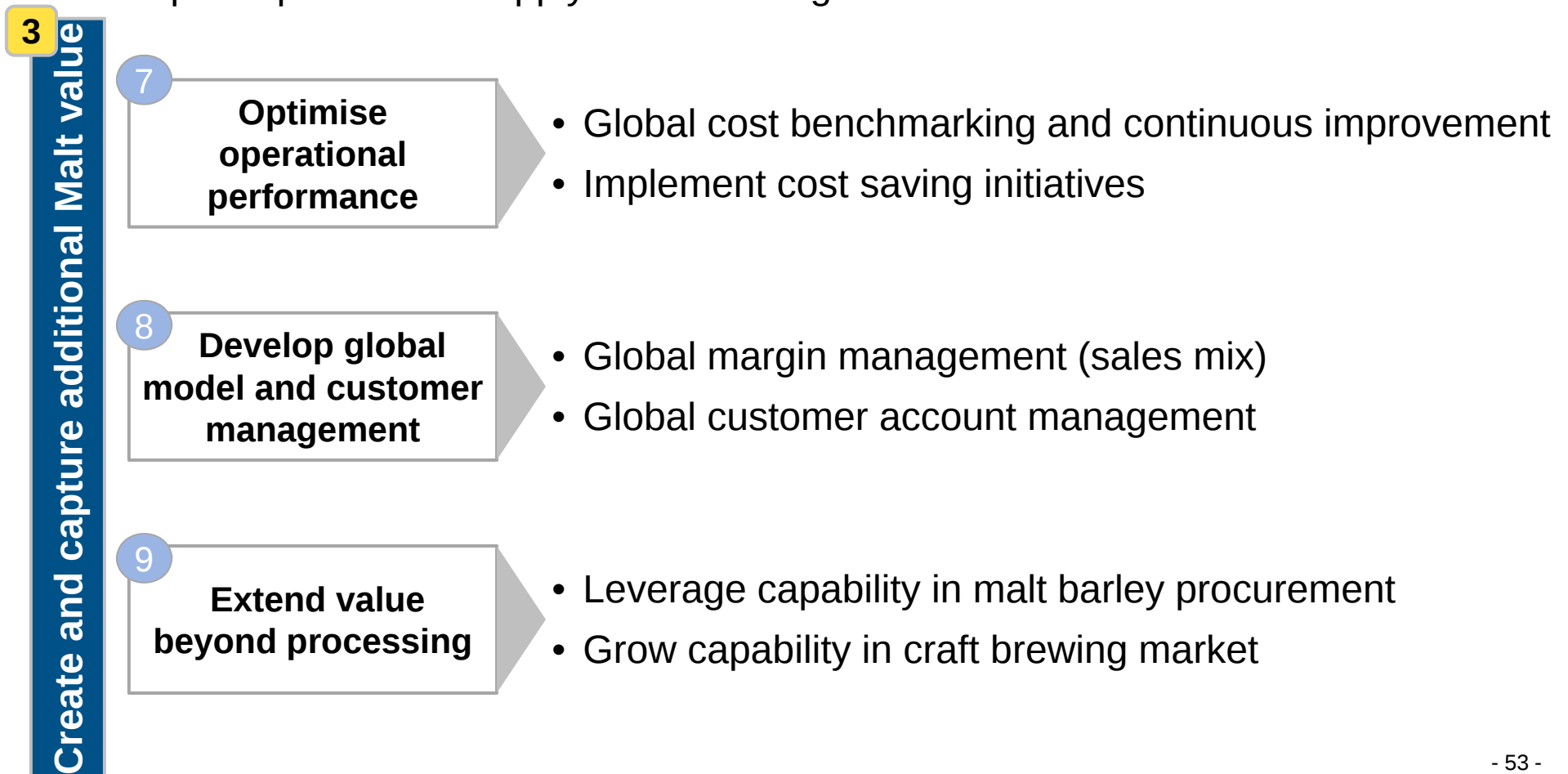
Our global malt portfolio



(1) Thousand metric tonnes of annual production capacity
 (2) Average domestic and export sales mix

Strategy to create and capture additional value from malting activities

- Target incremental underlying EBITDA → ~\$10M
- Focus → Leverage our footprint and capabilities to optimise our malting activities and develop a superior malt supply chain offering



7 Optimise operational performance

Global cost benchmarking and continuous improvement

- **Target** → leverage our global network for best practice and innovation
- Harness our deep network of production and engineering expertise
- Benchmarking across a co-ordinated global production group

Focus on continuous improvement



Implement cost saving initiatives

- **Target** → invest to reduce operating costs
- Invest in sustainability initiatives to reduce energy and water usage
- Prioritise ~100 identified projects for largest cost saving opportunities

Develop ENMAX (Calgary) project



8 Global model and customer management

Global margin management (sales mix)

- **Target** → develop an integrated barley and malt pricing strategy
- Develop strategies for margin risk management
- Introduce common tools and systems

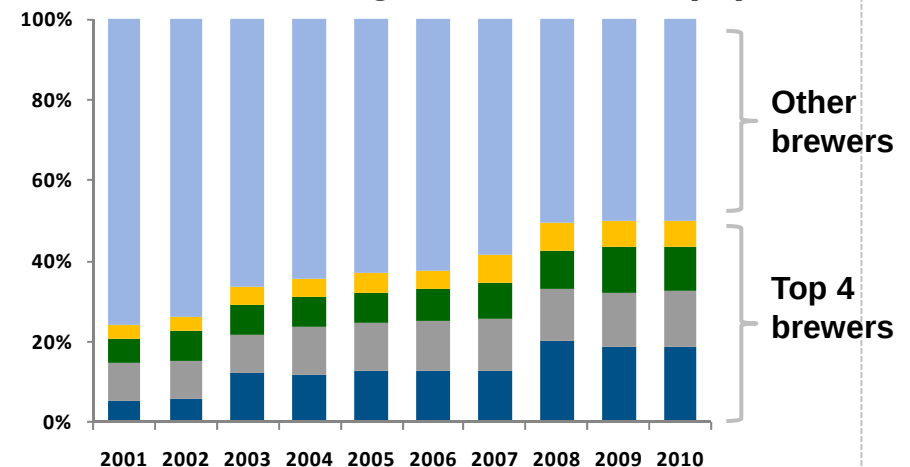
Develop an integrated global barley procurement and malt sales strategy



Global customer account management

- **Target** → provide an integrated global customer offering
- Tailor our 'end to end' global malt supply chain solution
- Develop an integrated global customer management system

Global brewing market share (%)



9 Extend value beyond processing

Leverage capability in malt barley procurement

- **Target** → leverage regional Marketing and Malt procurement capabilities
- Work with Marketing teams in Sydney, Hamburg and Calgary
- Explore opportunities from deregulation of the Canadian market

Leverage barley relationships



Grow capability in craft brewing market

- **Target** → build capability to capture opportunities in craft brew market
- Pursue growth opportunities
- Leverage our strong position and expertise in the US craft brew market

Grow malt sales to craft brewing market



24 May 2012
Alistair Bell
Chief Financial Officer



CAPITAL MANAGEMENT

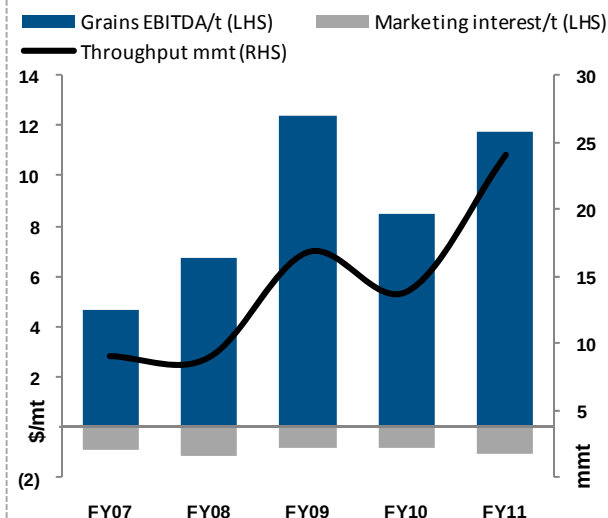
~\$40M underlying EBITDA growth improves through the cycle ROE



Grains

- Target \$25-30M EBITDA growth (S&L, Marketing and synergies)
- Improve margin per throughput tonne and manage volume variability

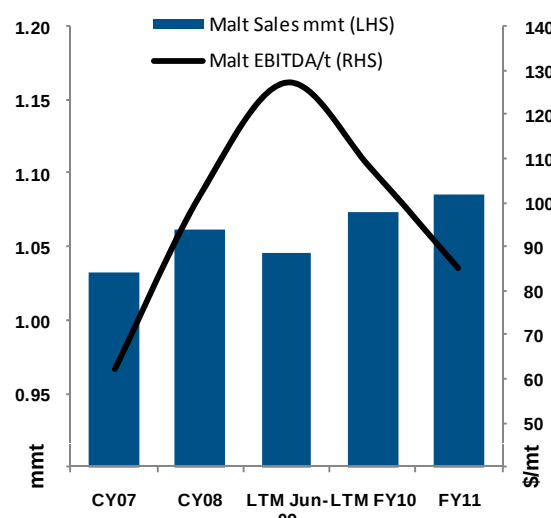
Grains EBITDA / Throughput⁽¹⁾



Malt

- Target \$10-15M EBITDA growth (Malt and synergies)
- Optimise volumes and manage margin variability

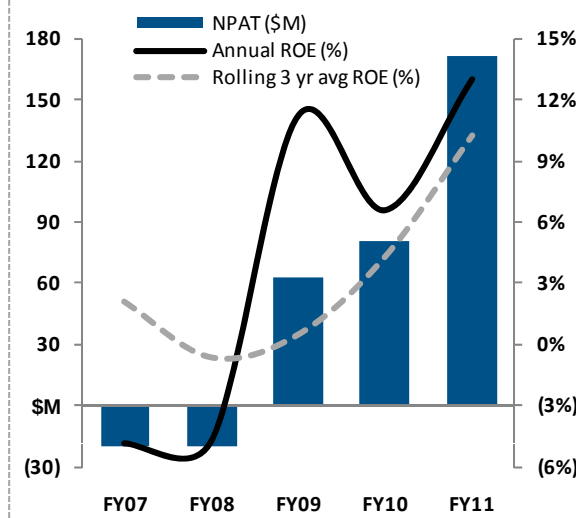
Malt Sales and EBITDA/t⁽²⁾



Improved ROE

- Improve through the cycle shareholder return
- Value creation from our integrated suite of grain chain assets

Improving ROE..



(1) Grains is Country & Logistics, Ports and Marketing. Throughput = Average of Country inload and outload, plus Ports grain and non-grain exports

(2) Excludes Port of Vancouver compensation receipts

Capital investment for ~\$40M EBITDA growth

- \$80-120M capex to capture earnings growth → 3 years ending FY14
- Average ROCE of ~20% for investments → 2-3 years cash payback

Example capex projects to achieve ~\$40M EBITDA

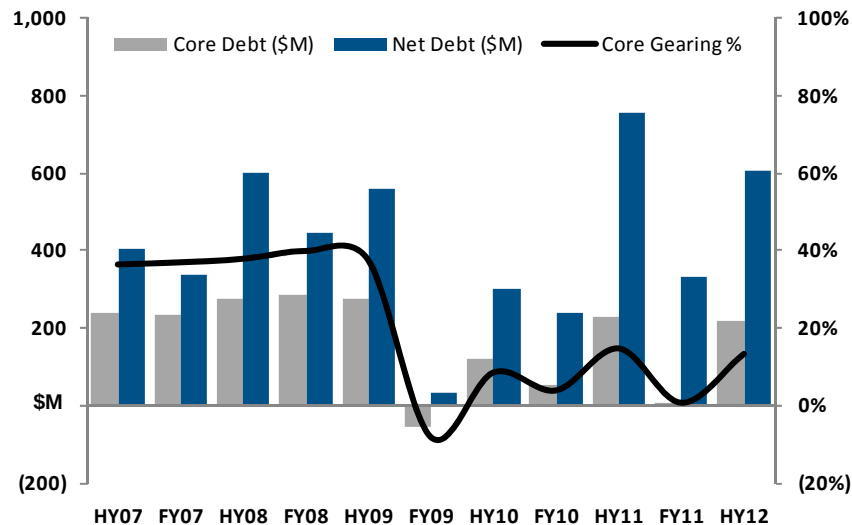
- 1 Strengthen our grain handling network**
 - Online support → smartphone app and Grain Transact upgrade
 - Receival site upgrades → e.g weighbridges and sample stands
 - Equipment upgrades for ~20 key receival sites
- 2 Grow our grain Marketing business**
 - Global trading and risk management system
 - International capability → office and personnel
- 3 Create and capture additional Malt value**
 - Sustainability initiatives → e.g waste water and heat recycling
 - Global platforms and systems → procurement and sales
- 4 Better capture synergies**
 - Customer and procurement planning

Low gearing, strong cash and sound dividends

Strong balance sheet and cash flow

- Core Gearing⁽¹⁾ 13% at HY12 → strategy to maintain <25%
- Capacity and flexibility to fund growth
- Strong cash flow → funding capex and dividends

Core⁽¹⁾ and Net⁽²⁾ Debt



Good access to debt and cash for strategic growth



	Use and Position	Strategy Implications
Short term debt	• Use → Marketing's grain trading activities, working capital requirements and Malt activities • Position → \$725M limit and \$515M drawn⁽¹⁾	• Storage & Logistics → facilitate new service offerings • Marketing → flexible facilities to fund grain trading activities (domestic and offshore)
Term debt	• Use → corporate planning (growth and investments) • Position → \$371M limit and \$331M drawn⁽¹⁾	• Maintain Core Debt gearing <25% • Financial access to pursue strategic initiatives → organic and acquisitive
Cash	• Use → dividends and growth • Position → \$256M Cash⁽¹⁾	• Targeting to pay a dividend⁽²⁾ each year → flex via specials • Pursue strategic initiatives

(1) As at 31 March 2012

(2) Dividend Policy – Pay 40-60% of Net Profit After Tax through the business cycle

Marketing's activities funded with flexible short term finance

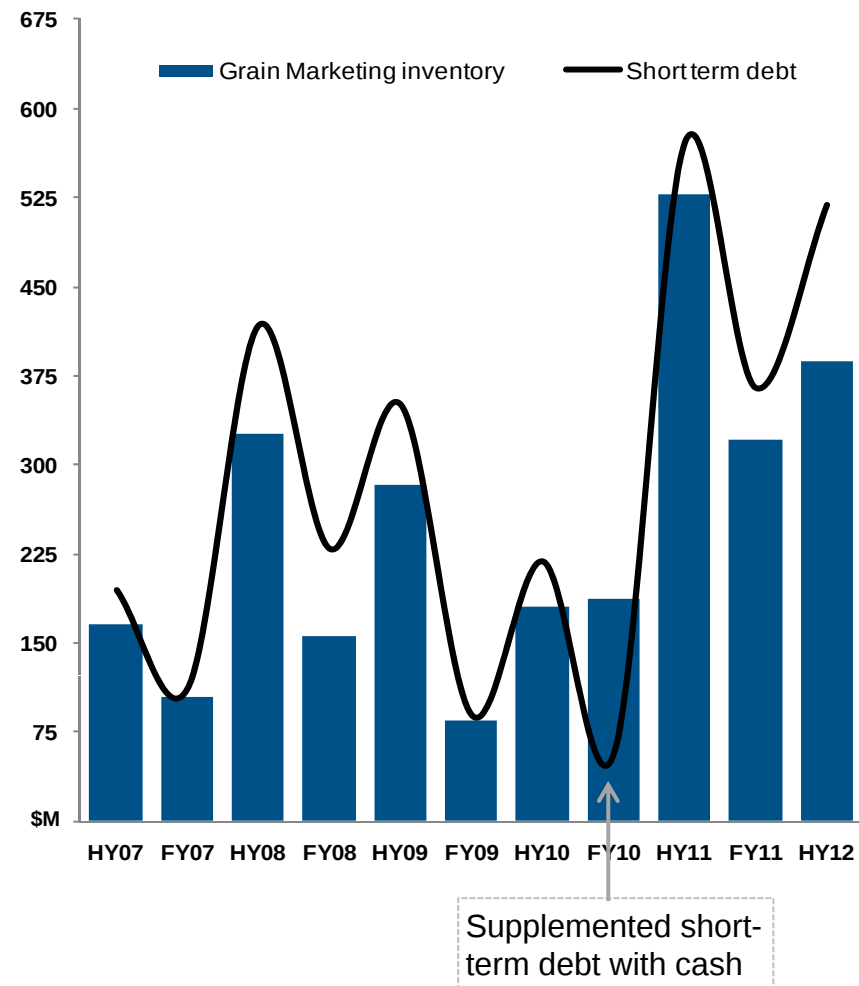
Strategy

- Marketing's grain trading activities are funded with short term debt
 - Match debt with asset life
 - Fluctuates with seasonal requirements
 - Multi currency, multi jurisdictional

Treatment

- Performance measured as Profit Before Tax → interest treated as part of COGS
- Commodity inventory funding recognised as Operating Cash Flow → matches funding purpose

Marketing Inventory and Short-Term Debt - \$M



A stringent approach to managing Marketing and Malt risk

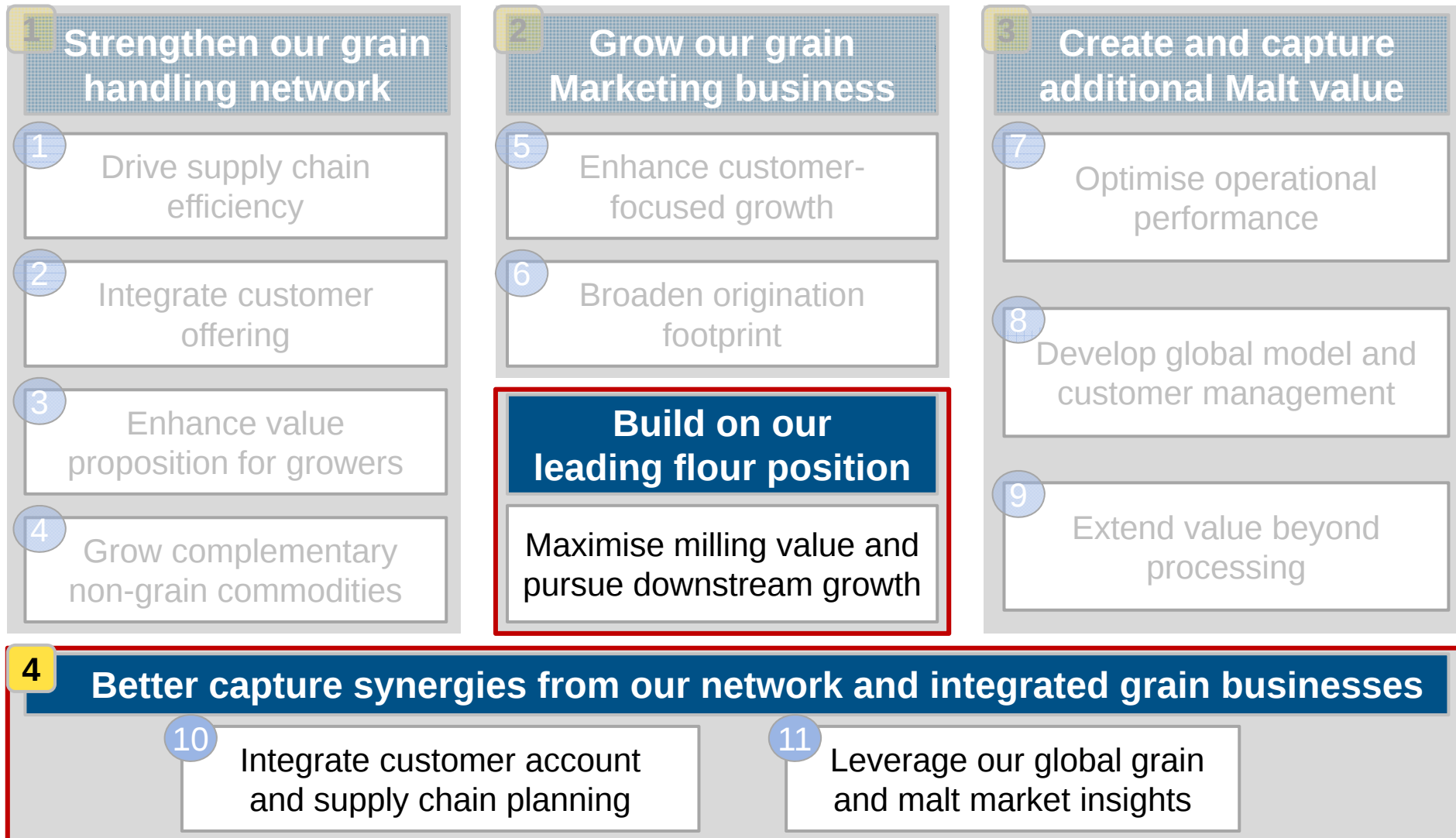
Risk	GrainCorp Approach
Price	• Limited “flat” price risk → trading “basis” price • Hedge positions → derivatives or physical
Positions	• Position limits and established loss limits within a structured framework and policy
Performance	• Contracts and insurance → counterparty credit actively managed • Logistics → leverage our supply chain capability
GrainCorp Risk Framework	• Business Risk Committee → 3 Non-executive Directors and an Independent Expert • Separate front and back office • Facilitate forward grain and malt sales within agreed positions • Upgrading global trading and risk management system

24 May 2012
Alison Watkins
Managing Director and CEO



BUSINESS SYNERGIES AND WRAP-UP

Synergy Gamechangers and Allied Mills



Strategy to leverage our capability to improve our integrated customer offering

- Target incremental underlying EBITDA → ~\$5M
- Focus → Better capture synergies from our network and integrated grain businesses

4

Better capture business synergies

10

Integrate customer account and supply chain planning

- 'End to end' supply chain planning for the customer

11

Leverage our global grain and malt market insights

- Use our insight to improve our offering to customers

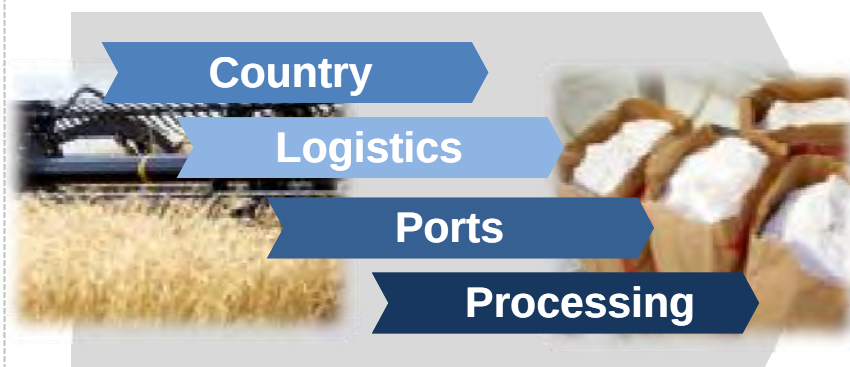
10 Better capture business synergies

11

Integrate customer account and supply chain planning

- **Target** → optimise our supply chain planning for the customer
- Develop integrated planning processes
- Formalise our 'end to end' service execution capability

Enhance our integrated service offering



Leverage our global grain and malt market insights

- **Target** → create and capture value from our market insights
- Leverage our competitive advantages and international presence
- Improve our integrated grain and malt customer offering

Leverage our 'end to end' market insight



Allied Mills – strong market position

Australian network

- Largest flour mill network
- 7 flour mill sites supported by manufacturing, warehousing and distribution capability
- 5 mixing and frozen product facilities

An unrivalled national network...



Strong position

- Low cost network
- More than a flour miller
 - Frozen donuts, par baked breads, pre-mixes and coatings
- Leading market share
 - Human consumption
 - Bread and cake mixes
- Diversified customers and channels with long term customer relationships
- R&D capability in:
 - Flour and pre-mixes
 - Frozen formats

Core to GrainCorp

- Grain processing value
- Other value
 - Buyer at country sites
 - Procure wheat
 - Rail logistics mgt
 - Shareholder loan interest

\$M (60% JV share)	FY11
EBITDA	26
Equity Profit	8
Shareholder loan interest	1.4
Net Asset Value	144

Allied Mills – strategy to build on our leading flour position



- Target → grow shareholder return and maximise synergy opportunities
- Focus → leverage national network and pursue downstream growth

Build on our leading flour position

Maximise milling value

- Expand Tennyson mill and lower network operating cost base
- Implement customer strategies including partnering and strategic pricing

Pursue downstream growth

- Improve returns from existing product portfolio
- Invest in new and complementary products
- Develop technology and product partnerships



Brisbane showcases our Business Model

Fisherman Islands



Pinkenba



Country

- Grain origination → from QLD and Nth NSW

Logistics

- 4 contracted trains
- Rail inload → balloon loops
- Road inload → marshalling yards

Ports

- Bulk → 2.1mmt capacity
- Containers → ~200kmt
- Non-grain → woodchips, sands, meals, fertiliser, sugar, cottonseed

Processing

- Malt plant → 86kmt capacity
- Allied Mills → Tennyson and Yatala

- Marketing → grain exports, sales to Barrett Burston, grain supply chain and risk management

Our Strategy builds on our Business Model

1 Strengthen our grain handling network

Develop improved capability from our network to retain and maximise grain volumes

2 Grow our grain Marketing business

Grow relationships to drive grain volume through our network and capture margin

3 Create and capture additional Malt value

Harness our grain processing footprint and capabilities to develop a superior offering for our global and regional customers

4 Better capture synergies from our network and integrated grain businesses

Better capture synergies from our network and integrated grain businesses

Disclaimer



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