



Company announcement

GrainCorp Limited ABN 60 057 186 035

Date: 6 September, 2012
To: The Manager - Announcements
Company Announcements Office
Australian Securities Exchange
20 Bridge Street, Sydney

Via On-Line Lodgement

GRAINCORP LIMITED ("GNC")

RETAIL OFFER – INELIGIBLE SHAREHOLDER LETTER

Attached is the Letter sent today to Ineligible Shareholders under the GrainCorp Limited accelerated pro-rata renounceable entitlement offer announced on 28 August 2012.

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, Sydney South NSW 1235
Telephone: (02) 9325 9100 Facsimile: (02) 9325 9180
www.graincorp.com.au





6 September 2012

MR AB SAMPLE
123 SAMPLE STREET
SAMPLETOWN NSW 1234

Dear Shareholder

GRAINCORP A\$159 MILLION PRO RATA RENOUNCEABLE ENTITLEMENT OFFER

On 28 August 2012, GrainCorp Limited (**GrainCorp**) announced a fully underwritten accelerated renounceable entitlement offer of new GrainCorp ordinary shares (**New Shares**) at an offer price of \$8.80 per New Share (**Offer Price**) to raise approximately \$159 million (**Entitlement Offer**).

This letter is to inform you about the Entitlement Offer, and to explain why you will not be able to subscribe for New Shares under the Entitlement Offer. This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. You are not required to do anything in response to this letter.

The Entitlement Offer and use of proceeds

The Entitlement Offer comprises an offer to eligible institutional shareholders (**Institutional Entitlement Offer**) and an offer to eligible retail shareholders to participate at the same Offer Price and offer ratio (**Retail Entitlement Offer**).

Proceeds from the Entitlement Offer will be used to partially fund the acquisition of the Gardner Smith Group and Integro Foods.

Details of the Retail Entitlement Offer

The Retail Entitlement Offer is being made to eligible retail shareholders (as described below, **Eligible Retail Shareholders**) on the basis of 1 New Share for every 11 existing GrainCorp ordinary shares held on the Record Date of 7.00pm (Sydney time) on Friday, 3 September 2012 (**Record Date**). An offer booklet in relation to the Retail Entitlement Offer (**Retail Offer Booklet**) will be despatched to Eligible Retail Shareholders on or around 6 September 2012.

GrainCorp Limited

Level 26, 175 Liverpool Street, Sydney NSW 2000 • PO Box A268 Sydney South NSW 1235
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**Eligibility criteria**

Eligible Retail Shareholders are those persons who:

- Are registered as a holder of existing GrainCorp ordinary shares as at 7.00pm (Sydney time) on the Record Date;
- As at the Record Date, have a registered address in Australia or New Zealand;
- Are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds GrainCorp ordinary shares for the account or benefit of such person in the United States);
- Were not invited to participate (other than as nominee in respect of other underlying holdings) in the Institutional Entitlement Offer and were not treated as ineligible institutional investors under the Institutional Entitlement Offer;
- Are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered.

Shareholders who are not Eligible Retail Shareholders and who did not participate in the institutional entitlement offer are ineligible shareholders.

The restrictions upon eligibility to participate in the Entitlement Offer arise because of the legal and regulatory requirements in countries other than Australia or New Zealand and the potential costs to GrainCorp of complying with these legal and regulatory requirements compared with the relatively small number of shareholders in those countries, the relatively small number of existing GrainCorp ordinary shares they hold and the relatively low value of New Shares to which they would otherwise be entitled. GrainCorp has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules, that it would be unreasonable to make offers to shareholders in all countries in connection with the Retail Entitlement Offer.

Unfortunately, according to our records, you do not satisfy the eligibility criteria for an Eligible Retail Shareholder stated above. Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3)(b) of the *Corporations Act 2001 (Cth)*, GrainCorp wishes to advise you that it will not be extending the Retail Entitlement Offer to you and you will not be able to subscribe for New Shares under the Retail Entitlement Offer. You will not be sent the documents relating to the Entitlement Offer.

However, as the Entitlement Offer is renounceable, you may receive value for entitlements you would have received had you been eligible to participate in the Entitlement Offer. Arrangements have been made for the New Shares that would have represented the entitlements of ineligible shareholders to be offered via a retail shortfall bookbuild on 26 September 2012 (**Retail Shortfall Bookbuild**), which is to be undertaken by the lead manager to the Entitlement Offer. You will receive any proceeds in excess of the Offer Price in respect of each New Share sold in the Retail Shortfall Bookbuild that you would have received under the Retail Entitlement Offer if you were eligible to participate, net of any applicable withholding tax. However, there is no guarantee that you will receive any value as a result of the Retail Shortfall Bookbuild.



You are not required to do anything in response to this letter.

For further information on the Entitlement Offer or if you believe that you are an Eligible Retail Shareholder, you can call the GrainCorp Offer Information Line on 1300 883 034 (from within Australia) or +61 2 8280 7483 (from outside Australia) from 8.30am to 5.30pm (Sydney time) Monday to Friday before 21 September 2012. If you have any further questions, you should contact your stockbroker, accountant or other professional adviser.

On behalf of the Board of GrainCorp, I thank you for your continued support.

Yours faithfully

Don Taylor
Chairman
GrainCorp Limited

Important Information

This letter is issued by GrainCorp Limited, ABN 60 057 186 035 (**GrainCorp**). This letter is not a prospectus or offering document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any securities in GrainCorp in any jurisdiction. This letter does not constitute financial product advice and does not and will not form any part of any contract for the acquisition of GrainCorp ordinary shares.

This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or in any other jurisdiction in which such an offer would be illegal. Neither the entitlements nor the New Shares have been, nor will be, registered under the U.S. Securities Act of 1933 (the **Securities Act**) or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be taken up or sold by, and the entitlements and New Shares may not be offered or sold to, persons in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.