# Company Announcement

**GrainCorp Limited ABN 60 057 186 035**

Date: 15 November 2012
To: Announcements
Company Announcements Office
Australian Securities Exchange

**INVESTOR PRESENTATION FOR THE**
**FINANCIAL YEAR ENDED 30 SEPTEMBER 2012**

**2012 Results Release and Strategy Update – Investor Presentation**

Please find attached the 2012 Results Release and Strategy Update investor presentation relating to the financial year ended 30 September 2012.

Yours sincerely,

**Andrew Horne**
**Company Secretary**

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# 2012 Results Release and Strategy Update

## Investor Presentation – 15 November 2012

# 2012 Results Release and Strategy Update

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## 2012 Results

- Financial Highlights
- Segment Performance
- Balance Sheet and Capex
- 2013 Outlook

## Strategy Update

- Integrated Business Model
- Attractive industry fundamentals
- Earnings growth initiatives

# GrainCorp is Australia's leading agribusiness

- **Integrated Business Model with an international "end-to-end" grain supply chain connecting consumers to growers**
- **Unique portfolio of local storage and logistics assets and local and international downstream processing assets linked by a global Marketing platform**
- **Global exposure to attractive grain industry fundamentals with strong demand growth for grain and processed grain coupled with origination advantages**
- **Confident in delivering growth from identified strategic initiatives targeting ~$110M incremental underlying EBITDA[1] by end FY16**
- **Track record delivering corporate objectives and strategy execution**

(1) EBITDA is Earnings Before Interest, Tax, Depreciation and Amortisation.

# Delivering our corporate objectives

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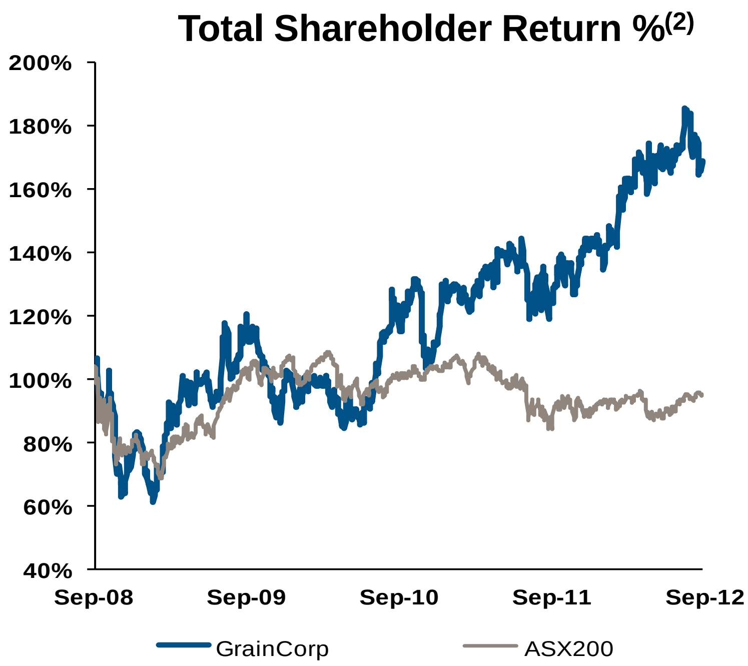
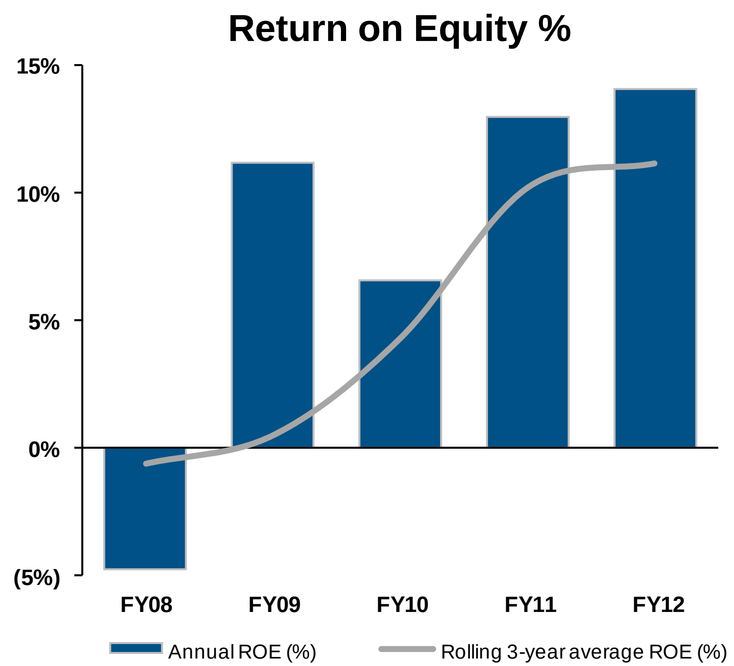
## 1 Improving shareholder returns

- Effective strategy driving higher underlying profitability and improving ROE[1]
- TSR[2] materially outperformed the market over last 2 years through strong share price performance and consistent dividends:
  - 36% TSR in year to 30 September 2012



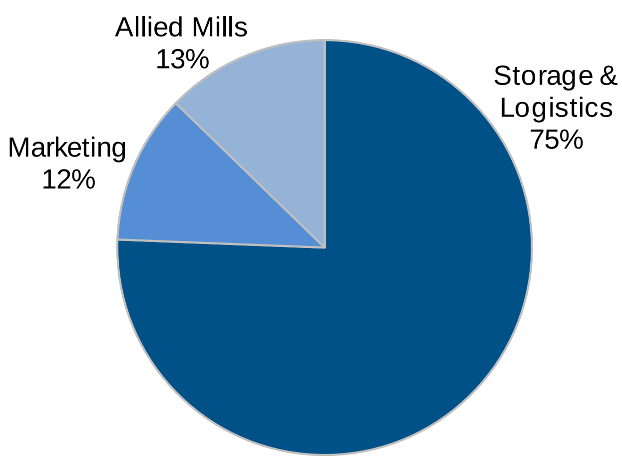

(1) Return on Equity.
(2) Total Shareholder Return. Source: IRESS, Factset. Represents growth in share price over the period 30-Sep-08 to 30-Sep-12 assuming dividends are reinvested on the payment date, expressed as a percentage.

# Delivering our corporate objectives

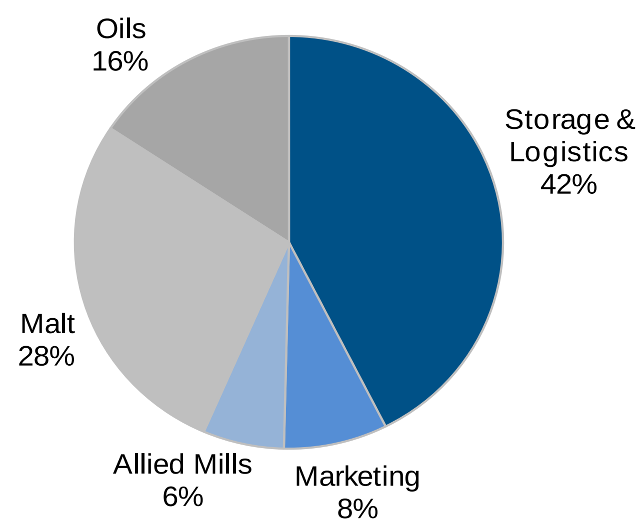
## 2 Managing variability

- Continued diversification reducing earnings and cash flow volatility:
  - Processing EBITDA contribution higher from 13%[(1)] in FY09 to current ~50%[(2)] through additions of Malt (in FY10) and Oils (in FY13)
  - Reduced volatility supports platform for growth and dividends

**EBITDA by segment – FY09[(1)]**




**EBITDA by segment – current[(2)]**

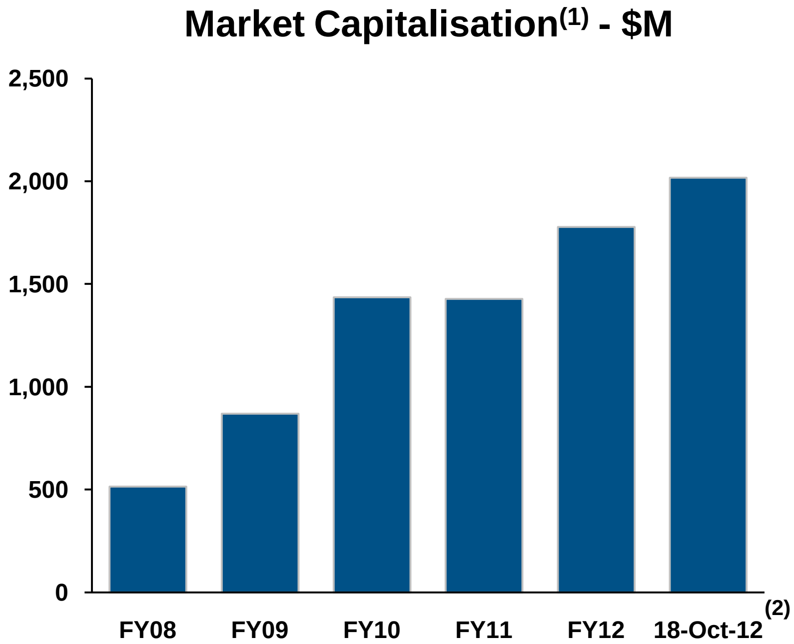


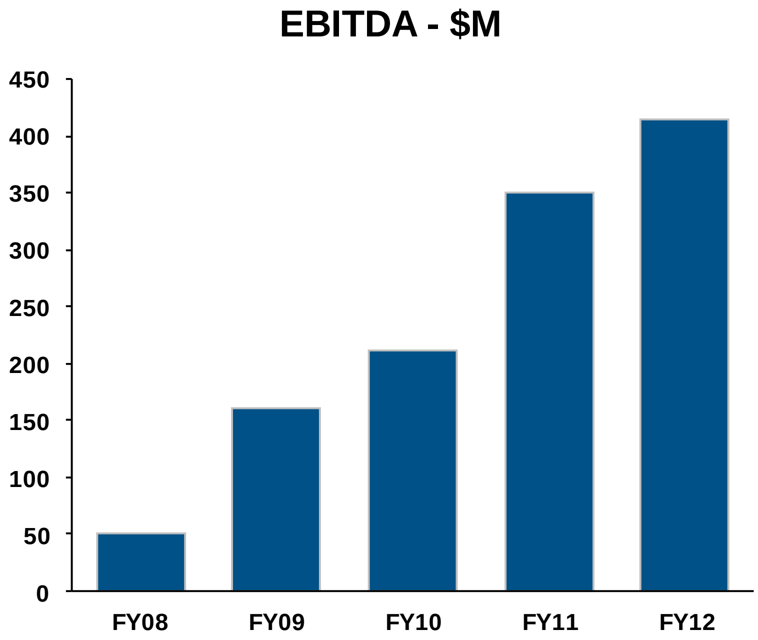

(1) Represents FY09 Storage & Logistics EBITDA, Marketing Profit Before Tax (“PBT”) and Allied Mills 60% share of EBITDA. Excludes Corporate Costs.
(2) Represents FY09-12 average for Storage & Logistics EBITDA, Marketing PBT, Malt EBITDA (where FY09 is Last Twelve Months to June 2009 and FY10 is 10.5 months annualised), Allied Mills 60% share of EBITDA, and Oils EBITDA (based on Gardner Smith year ended 31 March (excluding edible oil and grain trading) and Integro Foods year ended 30 June (pre synergies). Excludes Corporate Costs and Discontinued Operations. Storage & Logistics includes Country & Logistics and Ports.

# Delivering our corporate objectives

## 3 Delivering growth

- Grown over 20 years from a $100M company into an ASX100 >$2.0B company
- Growth across all segments both organically (e.g. margin improvements and volumes post single wheat desk removal) and acquisitively (e.g. Malt and Oils)
- Balance sheet strengthened and flexibility maintained to support further growth




(1) Based on closing share price on 30 September in each year.
(2) Being the day prior to trading halt and announcement of Archer Daniels Midland's conditional proposal.

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# FY12 Results Release

## Financial Highlights

# Higher earnings due to effective strategy and strong volumes

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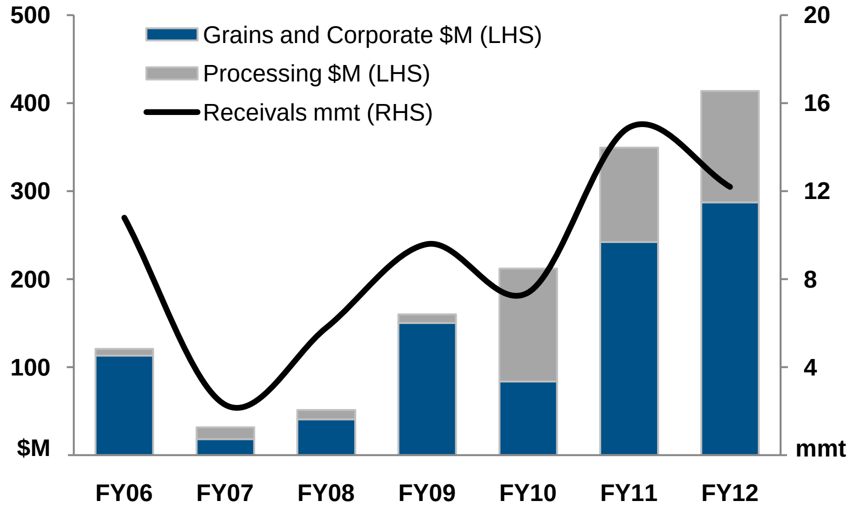
- Earnings higher to $414M EBITDA(1) (up 18%) and $205M NPAT(1) (up 19%) due to:
  - Effective strategy → capturing value from our integrated grain supply chain
  - Strong volumes → handling, marketing and processing
- Storage & Logistics(2) earnings higher due to strategy execution and strong volumes
- Malt earnings higher due to volume growth, barley procurement gains and effective global customer proposition
- Higher investment to strengthen our eastern Australian supply chain network and global malt and marketing capabilities
- Creation of Oils business through $472M acquisition of Integro and Gardner Smith → completed on 2 October 2012 and will be included in FY13
- Flexible and strong balance sheet maintained
- Fully franked final dividend consisting of $0.20 Ordinary plus $0.15 Special

(1) Excludes Significant Items. Refer Appendix 1 for Significant Items reconciliation. NPAT is Net Profit After Tax.
(2) Includes Country & Logistics and Ports.

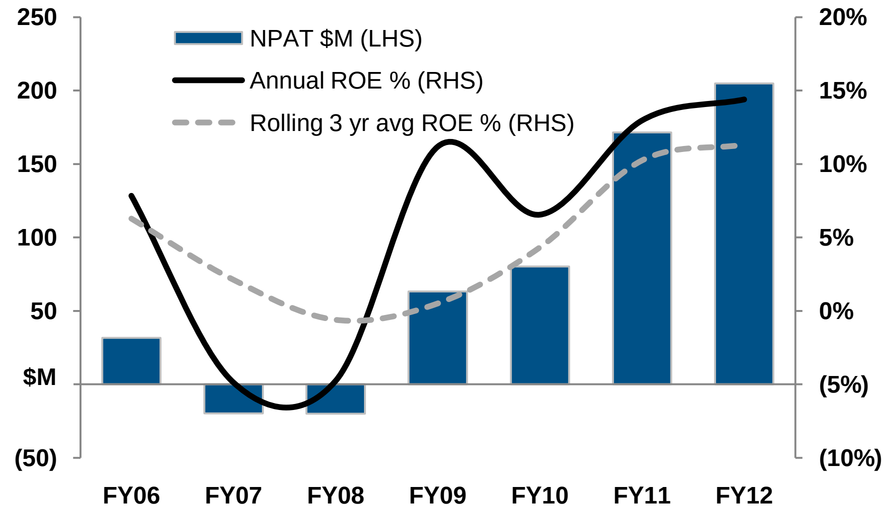
# Business transformation delivers continued earnings growth

### EBITDA(1)




| EBITDA | 121 | 32 | 51 | 160 | 212 | 350 | 414 |
|---|---|---|---|---|---|---|---|

### NPAT and Return on Equity



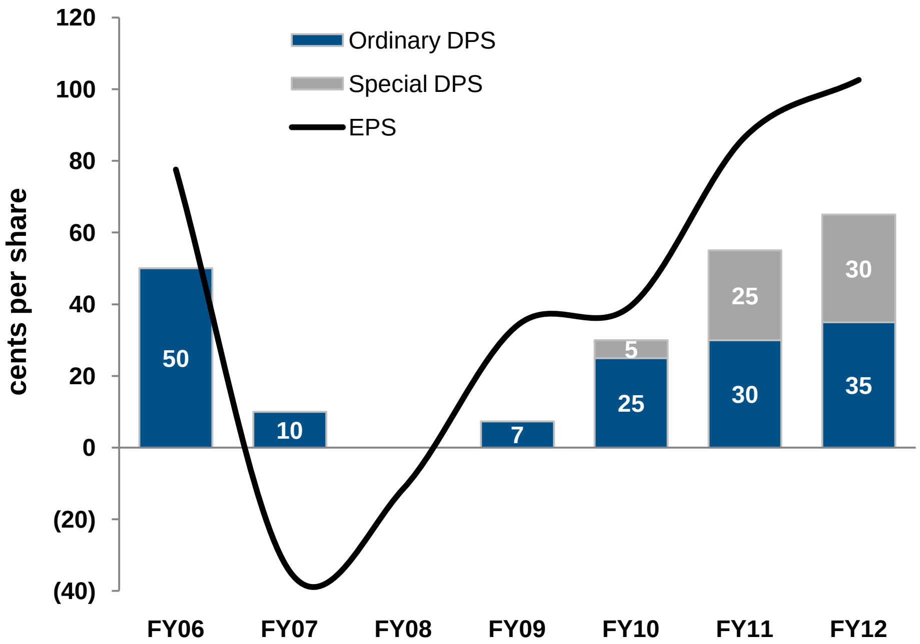

| NPAT | 32 | (20) | (20) | 63 | 80 | 172 | 205 |
|---|---|---|---|---|---|---|---|

- Business transformation delivering higher sustainable earnings:
  - Effective strategy driving underlying EBITDA growth (despite lower FY12 grain receivals)
  - Greater business diversification and reduced earnings volatility → FY10 Malt acquisition and creation of Oils (will be included in FY13)

(1) Grains includes Storage & Logistics (Country & Logistics and Ports) and Marketing. Corporate includes Corporate Costs and Discontinued Operations. Processing includes Malt and 60% share of Allied Mills NPAT. mmt = million metric tonnes. LHS = Left Hand Side. RHS = Right Hand Side.

# Diversified business supporting more consistent earnings and dividends

## Dividends and Earnings Per Share[1]




- FY12 fully franked final dividend consisting of $0.20 Ordinary and $0.15 Special
- FY12 final dividend dates:
  - Ex-dividend date: 27 Nov 2012
  - Record date: 3 Dec 2012
  - Payment date: 17 Dec 2012
- Total FY12 dividend of $0.65 (including $0.30 Special) → 68% NPAT payout
- Policy to pay 40-60% of NPAT through the business cycle

(1) DPS (Dividends Per Share) and EPS (Earnings Per Share). Historic dividends not adjusted for rights issue.

# FY12 Results Release

## Segment Performance

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# Safety and Corporate Social Responsibility

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## Safety

Priority to build a culture of "Zero Harm - Safe for Life"

- Committed to achieving best-practice safety performance
- Performance improved markedly in FY12 → 20% reduction in LTIFR(1)
- 3 year capital improvement program. In FY12 ~$9M capex plus additional safety operating expense

## Environment

Committed to sound environmental management practices and sustainable operations

- Water wastage → new treatment plants completed at Geelong and near completion at Calgary (Canada) and Witham (UK)
- Carbon emission reduction → third party biogas co-generation in Germany
- Waste reduction → trialling alternative methods for disposal of used grain tarps

## People

Focus on engagement, performance and development

- 5% improvements in engagement each year for the last 3 years
- Highly engaged top 70 leaders → engagement at 88%
- Active community engagement through Community Fund

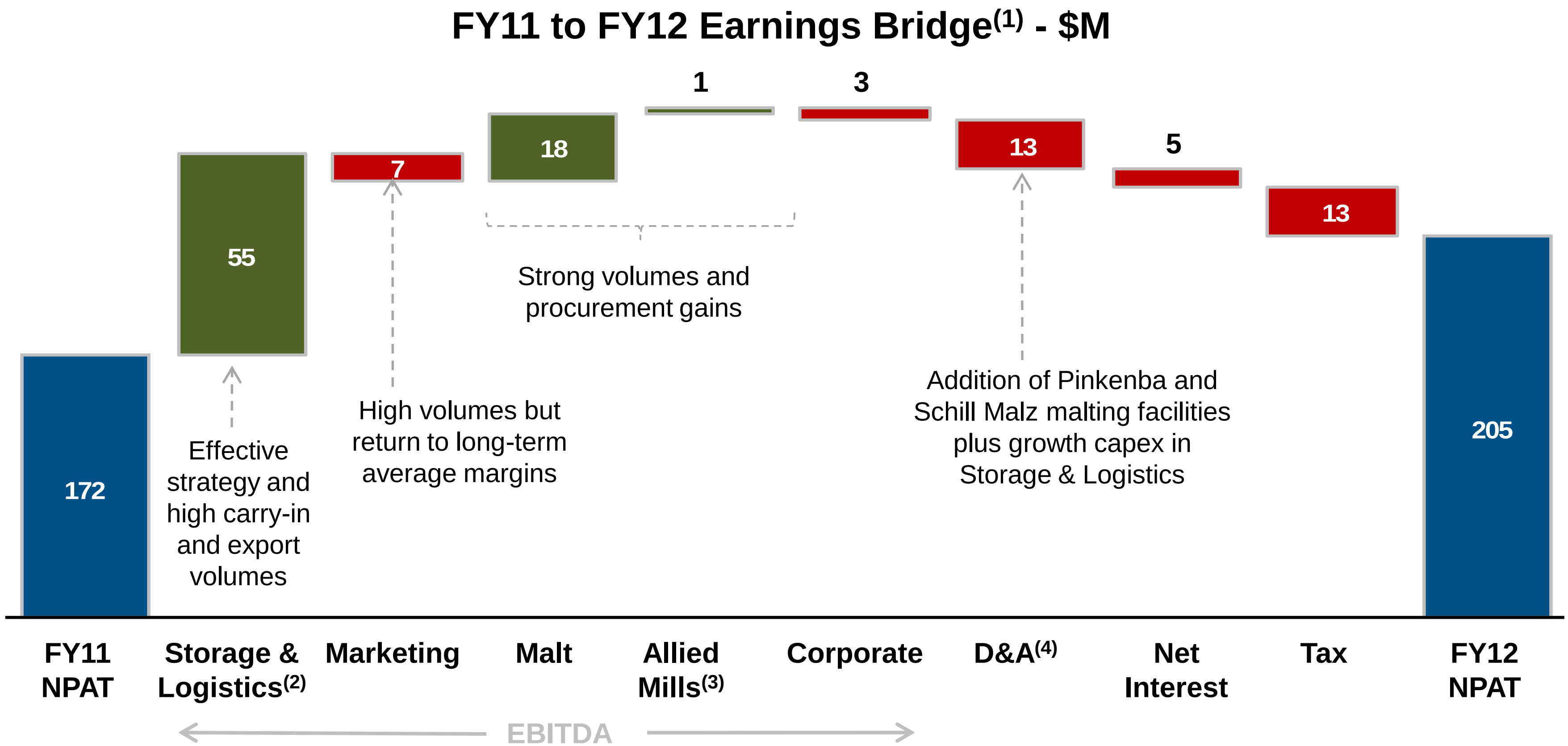
## Our corporate values

Safety, Our People, Customers, Excellence, Integrity,

Our Community and Sustainability

(1) Lost Time Injury Frequency Rate ("LTIFR") is calculated as the number of lost time injuries per million hours worked, including employees and labour hire where hours worked are captured on our timesheets and/or payroll.

# Strong performance across the business



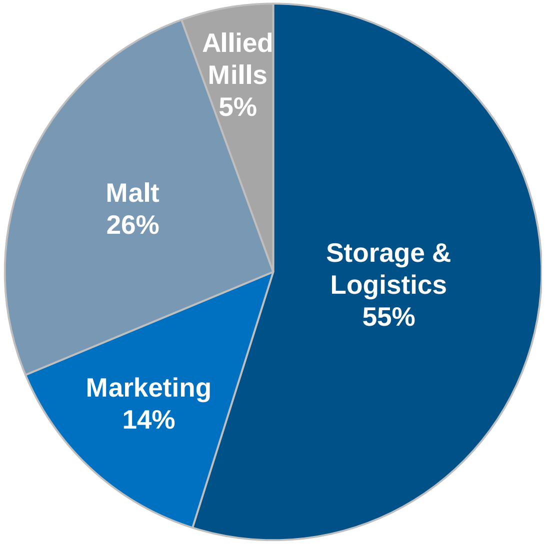

| | Storage & Logistics | Marketing | Malt | Allied Mills | Corporate | D&A | Net Interest | Tax | NPAT |
|---|---|---|---|---|---|---|---|---|---|
| **FY12 ($M)** | 250 | 63 | 117 | 10 | (26) | (91) | (31) | (87) | **205** |
| FY11 ($M) | 195 | 70 | 99 | 9 | (23) | (78) | (26) | (74) | 172 |

(1) Excludes Significant Items (Refer Appendix 1 for Significant Items reconciliation). Segment EBITDA reflects decentralised Corporate Costs approach.
(2) Includes Country & Logistics and Ports.
(3) 60% share of NPAT.
(4) Depreciation & Amortisation.

# Portfolio of grain businesses capture value across the grain chain

| $M | Revenue FY12 | Revenue FY11 | EBITDA[1] FY12 | EBITDA[1] FY11 |
|---|---|---|---|---|
| Storage & Logistics | 805 | 743 | 250 | 195 |
| Marketing[2] | 1,891 | 1,406 | 63 | 70 |
| Malt | 945 | 868 | 117 | 99 |
| Allied Mills[3] | - | - | 10 | 9 |
| Corporate Costs | - | - | (26) | (23) |
| Eliminations and other | (312) | (240) | - | - |
| **Total** | **3,329** | **2,777** | **414** | **350** |

**FY12 EBITDA[4] % contribution**

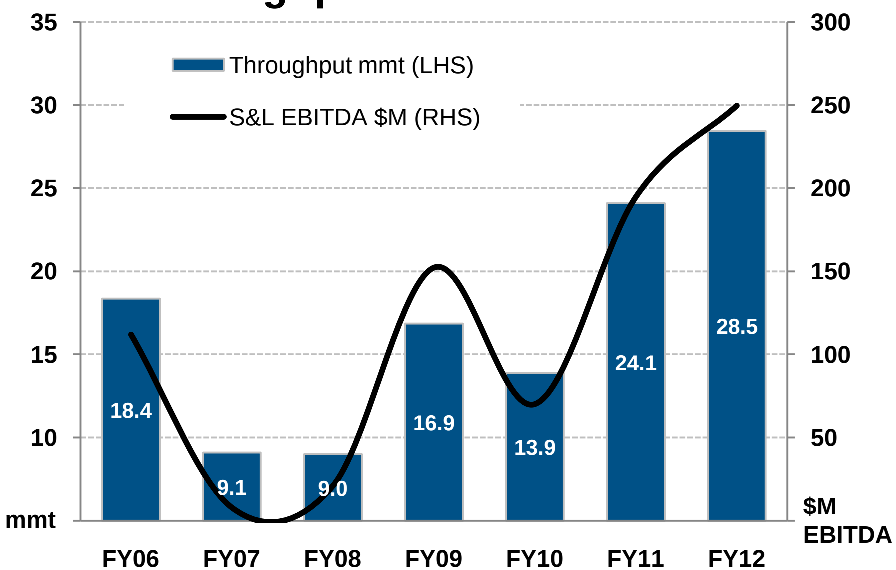



(1) Excludes Significant Items (refer Appendix 1 for Significant Items reconciliation). Segment EBITDA based on decentralised Corporate Costs approach.
(2) Marketing EBITDA.
(3) 60% share of NPAT.
(4) Includes Marketing EBITDA, 60% share of Allied Mills EBITDA and excludes Corporate Costs.

# Storage & Logistics – higher earnings due to firm volumes and strategy execution

| $M | FY12 | FY11 |
|---|---|---|
| Revenue | 805 | 743 |
| EBITDA | 250 | 195 |
| EBIT | 197 | 151 |
| Capital Expenditure | 64 | 51 |

**Throughput[1] and EBITDA[2]**




**EBITDA 28% higher to $250M** due to:

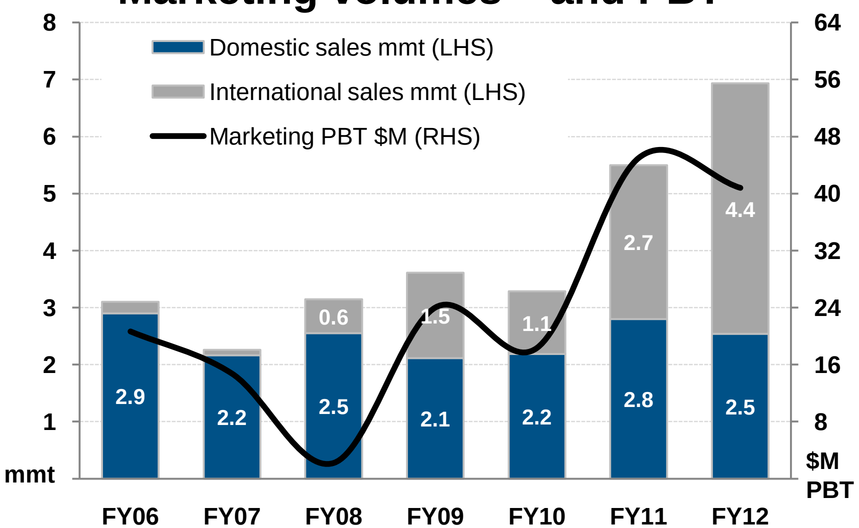
- Strong grain volumes and market share
  - Throughput 18% higher to 28.5mmt[1]
  - 59% share of production[3] received at country sites, rising to 74% including direct to port receivals
  - ~90% share of bulk grain exports[4]
- Effective strategy execution
  - Country network flexibility and efficiency → handled large and complex carry-in plus 12.2mmt country receivals
  - Contracted 4 additional trains → managed 25 trains and 6.1mmt rail freight
  - Port flexibility → matched port capacity with demand to handle 10.6mmt grain exports and 2.3mmt non-grain exports and imports

(1) Refer Appendix 2 and Appendix 3 for further Storage & Logistics volume details.
(2) FY06-10 EBITDA adjusted for decentralised Corporate Costs to be consistent with FY11-12.
(3) ABARES' eastern Australia wheat, barley, canola and sorghum production estimate of 20.6mmt.
(4) Eastern Australia's bulk grain export elevations.

# Marketing – consistent earnings and growing global reach

| $M | FY12 | FY11 |
|---|---|---|
| Revenue | 1,891 | 1,406 |
| EBITDA | 63 | 70 |
| Interest expense[(1)] | (22) | (25) |
| PBT[(1)] | 41 | 45 |
| Marketing inventory | 312 | 322 |

### Marketing volumes[(2)] and PBT[(3)]




**Consistent earnings** due to:

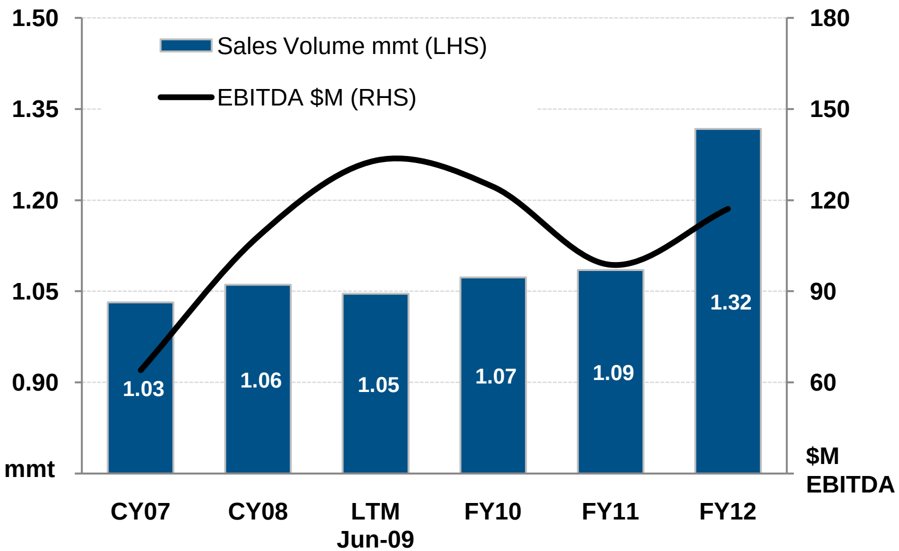
- Higher international sales
  - 4.4mmt FY12 sales to customers across more than 25 countries
  - Strong portfolio of customers → particularly wheat consumers post single wheat desk removal in 2008
- Consistent domestic sales → 2.5mmt FY12
- Growing global reach
  - International offices established and operational → Hamburg (Germany) and Calgary (Canada) established, UK based Saxon Agriculture integrated from Malt
- Meeting customer requirements and capturing value from our comparative advantages
- Effective risk management framework and trading strategy

(1) Marketing's grain inventory predominantly funded via separate short-term debt facilities. Interest expense treated as part of cost of goods sold. Marketing's performance measured as PBT.
(2) Includes delivered tonnes, bulk and container sales, Pools and UK's Saxon Agriculture.
(3) FY06-10 PBT adjusted for decentralised Corporate Costs to be consistent with FY11-12.

# Malt – higher volumes and effective margin management

| $M | FY12 | FY11 |
|---|---|---|
| Revenue | 945 | 868 |
| EBITDA(1) | 117 | 99 |
| EBIT | 81 | 68 |
| Capital Expenditure(2) | 38 | 66 |

## Malt sales and EBITDA(3)



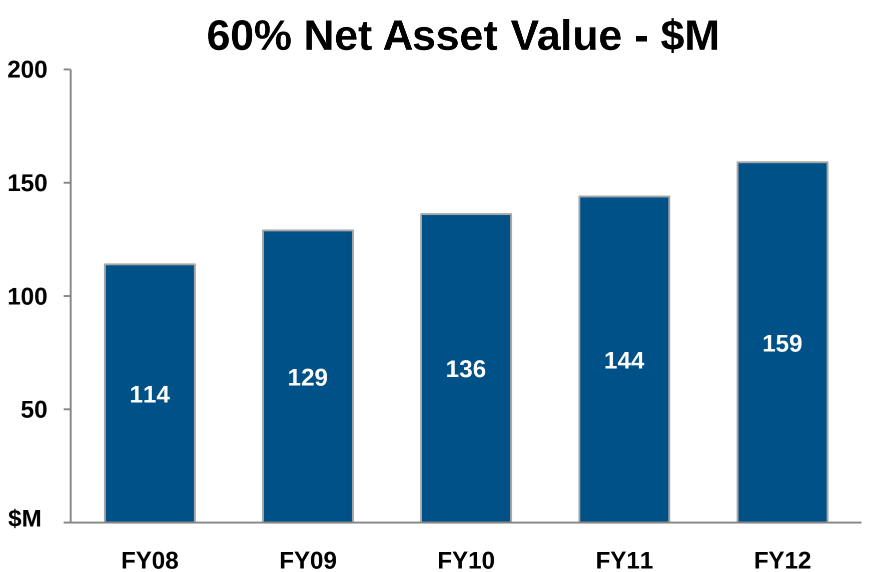

**Earnings 18% higher to $117M** despite high Australian and Canadian dollars due to:

- 251kmt annual production capacity added → global portfolio and customer proposition
- Sales growth to 1.32mmt → good capacity utilisation of 95% and strong positions on the cost curve
- Effective margin management through:
  - Barley procurement gains
  - Production efficiencies
  - Downstream distribution → bagging and warehousing, distribution and support services to craft brew market

(1) Includes Port of Vancouver compensation receipts of $4.8M in FY12 and $7.1M in FY11. Excludes Significant Items (see Appendix 1 for further detail).
(2) Capex lower in FY12 due to completion of Pinkenba development in FY11.
(3) In addition to footnote (1), includes Port of Vancouver compensation receipt of $9.3M in FY10. Excludes Significant Items (see Appendix 1 for further detail). LTM = Last Twelve Months. FY10 is 10.5 months actual annualised (as business acquired in November 2009).

# Allied Mills – higher earnings and capacity replacement announced

| $M (60% JV share) | FY12 | FY11 |
|---|---|---|
| EBITDA | 25 | 22 |
| Equity Profit(1) | 10 | 9 |
| Shareholder loan interest received | 1.3 | 1.4 |
| Net Asset Value(2) | 159 | 144 |




- Continued earnings growth from value add product initiatives (e.g. par baked products)
- Replacement of Toowoomba milling capacity (closed due to flooding) with expansion of existing Tennyson (Brisbane) mill → reduced operating cost
- Tennyson Development Application approved → majority of funding sourced from insurance proceeds (balance from debt)
- Development of new three year strategic plan → focus on continued business diversification
- Effective raw material procurement strategies

(1) Excludes Significant Items (see Appendix 1 for further detail) and excludes Shareholder loan interest received.
(2) FY12 includes 60% of Shareholders' Equity ($140M) and Shareholder Loan ($19M).

# FY12 Results Release

## Balance Sheet and Capex

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# Strong and flexible balance sheet

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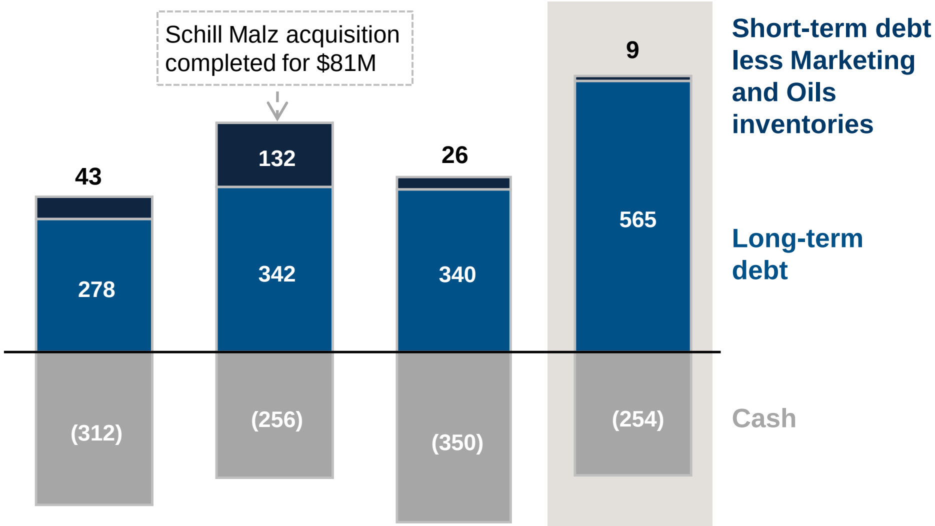
### Core Debt(1) - $M




| | FY11 | HY12 | FY12 | FY12 Pro forma(2) |
|---|---|---|---|---|
| Core Debt | 9 | 218 | 16 | 320 |
| Core Gearing(1) | 1% | 13% | 1% | 16% |
| Core Debt / EBITDA(3) | 0.05x | 0.53x | 0.04x | 0.67x |

- FY12 pro forma Core Debt(1) of $320M
  - Actual Core Debt of $16M at 30 September 2012 (includes $104M net proceeds from institutional tranche of entitlement offer prior to completion of Oils acquisition)
  - $304M increase in Core Debt post completion of Oils(2) acquisition
- Flexible balance sheet maintained → FY12 pro forma Core Gearing of 16% (in line with strategic target of <25%)
- Core Debt impacted by elevated Marketing margin deposits (receivables) → higher from FY11 $11M to FY12 $81M due to $30M MF Global(4) receivables and higher commodity prices

(1) Core Debt = Total Debt less Cash less Marketing and Oils grain and oilseed inventory. Core Gearing = Core Debt / (Core Debt plus Equity).
(2) Refer to Appendix 4 for further detail.
(3) Includes Oils FY12 EBITDA as detailed in the ASX Announcement dated 28 August 2012.
(4) See ASX Announcement dated 11 November 2011. Refer Appendix 5 for further detail. $16M of $30M recovered since 30 September 2012.

# Marketing grain inventory funded with specific commodity inventory facilities

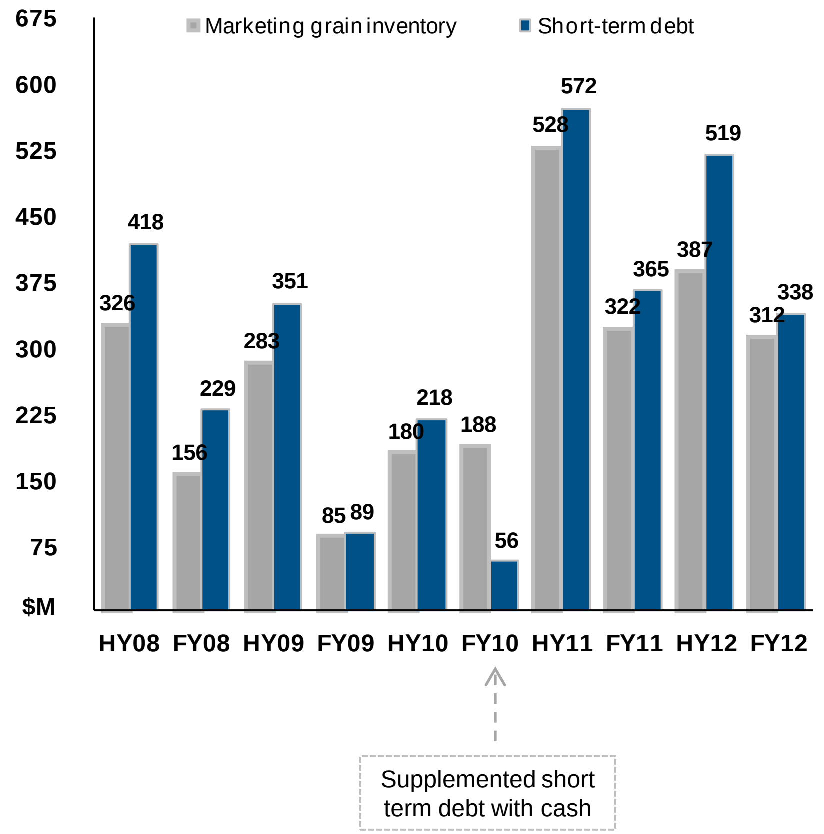
## Marketing's funding strategy

- Marketing's grain trading activities are predominantly funded with specific short term commodity inventory debt facilities:
  - Match debt with asset life
  - Fluctuate with seasonal grain purchases and underlying commodity prices

## Treatment

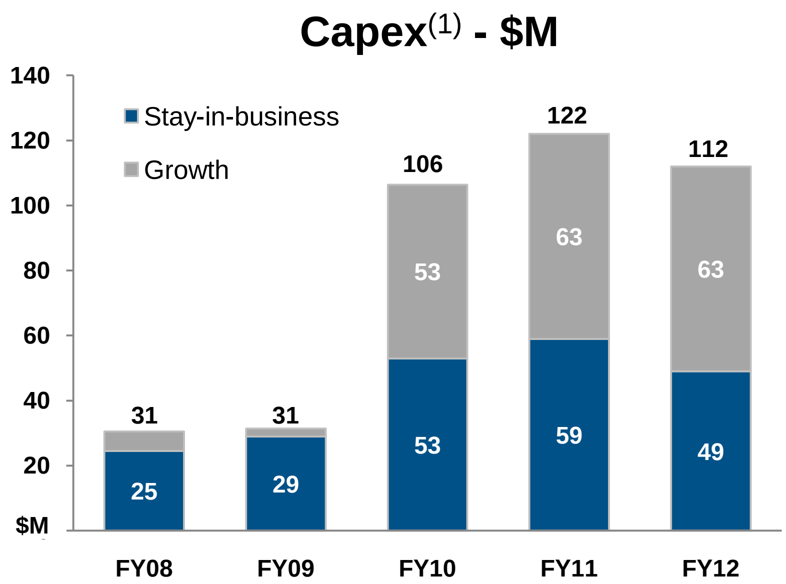
- Marketing's performance measured as PBT → interest treated as part of cost of goods sold
- Commodity inventory funding recognised as Operating Cash Flow → matches funding purpose

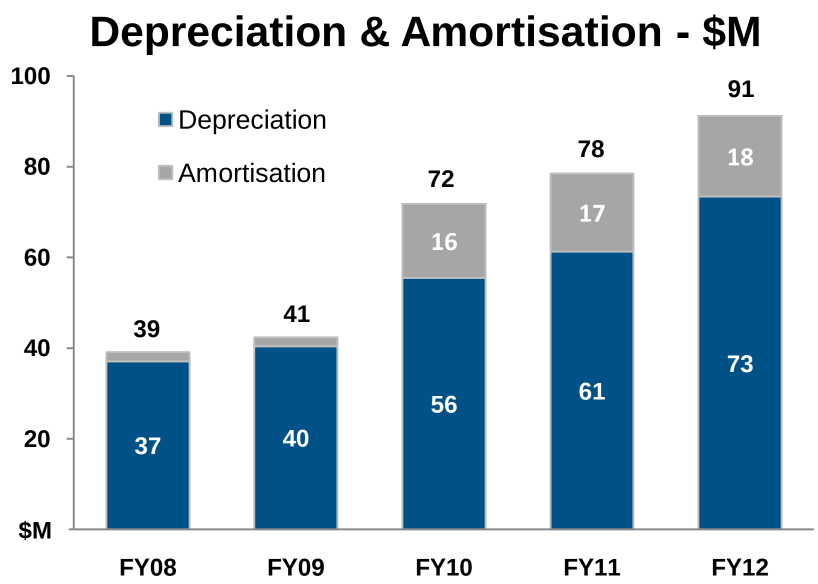
**Marketing Grain Inventory[1] - $M**




(1) Marketing grain inventory excludes Malt barley and malt inventory held for processing activities. Variance between Marketing grain inventory and Short-term debt reconciles with "Short-term debt less Marketing and Oils inventories" on prior slide. e.g FY12 variance of $26M.

# Capex supporting safety, network efficiencies and strategic initiatives




- Lower Stay-in-Business capex primarily due to lower receivals (lower capacity usage) → grain handling infrastructure is long-life and requires low maintenance spend
- $179M growth capex spent over 3 years ending FY12 → investment driving underlying growth and meeting hurdle rates of return
- Higher depreciation largely due to addition of Pinkenba and Schill Malz facilities
- Amortisation primarily relates to Malt customer contracts acquired in FY10

(1) Refer to Appendix 6 for further detail.

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# FY12 Results Release

## FY13 Outlook

# Grains outlook – firm carry-in and export volumes

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| | Market fundamentals | GrainCorp FY13 outlook |
|---|---|---|
| Storage & Logistics | • Eastern Australian crop production estimate 18.3mmt(1)<br>• Firm grain prices<br>• Positive harvest progress (quality and quantity) to date<br>• Improving supply chain efficiency<br>• High rail freight demand<br>• Strong demand for export services | • 4.3mmt carry-in<br>• Strong market share maintained → receivals (country, ports) and exports<br>• 3.1mmt country receivals YTD(2)<br>• 0.7mmt bulk grain elevations YTD and 8.9mmt(3) booked on the shipping stem<br>• Transport capacity in place → ~4.5mmt of rail bookings contracted |
| Marketing | • Strong global demand growth → Asia, Middle East and Africa<br>• Lower global stocks-to-use ratios expected | • Good marketing volumes<br>• Domestic and export sale opportunities targeted in each core operating region (Australia, Europe and Canada) |

(1) Eastern Australia's wheat, barley, canola and sorghum production estimates, based on average of Australian Crop Forecasters' November 2012 report of 18.0mmt and ABARES' September 2012 Crop Report of 18.7mmt.
(2) YTD reflects Year-To-Date as at end 13 November 2012.
(3) Wheat, barley, canola and sorghum shipping stem bookings as at end 13 November 2012. Reflect Year-To-Go bookings to 30 September 2013.

# Processing outlook – well placed through strong competitive positions

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| | Market fundamentals | GrainCorp FY13 outlook |
|---|---|---|
| **Malt** | • Global barley crop production ~131mmt[(1)] and quality sound<br>• Firm barley prices<br>• Soft beer demand in mature markets<br>• Excess global malting capacity<br>• Global brewers seeking integrated and international service | • Sales on track with 1.0mmt forward sold YTD<br>• Strong capacity utilisation driven by good cost curve positions, firm export and recovering domestic demand<br>• Managing margins despite pressure from unfavourable FX |
| **Oils** | • Australian canola crop production estimate ~2.7mmt[(2)]<br>• Good Canadian canola crop<br>• Growing domestic and global demand for canola oil | • High capacity utilisation → crushing, refining and bulk liquids<br>• Strong canola oil export demand with margins firm<br>• Synergies and growth opportunities targeted |

(1) USDA October 2012.
(2) Australia's canola production estimates, based on average of Australian Crop Forecasters' November 2012 report of 2.7mmt and ABARES' September 2012 Crop Report of 2.8mmt.


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# Strategy Update

## Integrated Business Model serving a growing market

# Strength of our integrated Business Model

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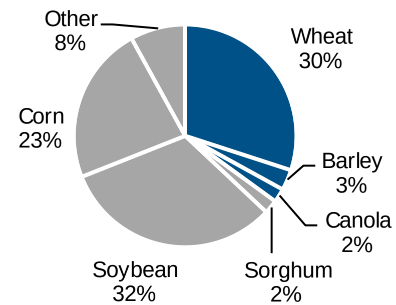
**Three core grains**

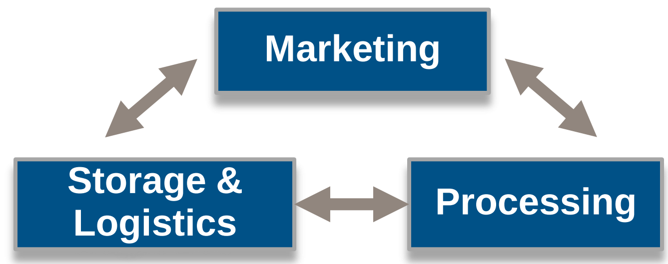
- Wheat, barley, canola → representing 35% of global traded grains and oilseeds
- Focus on "drier climate" grains where we have a comparative advantage through origination, freight differentials and technical expertise

**Global grains traded[1]**



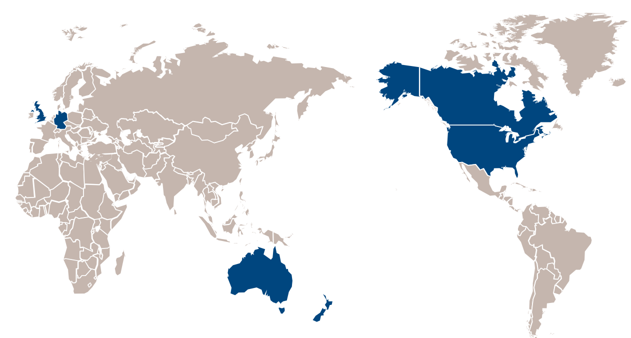

**Three integrated grain activities**

- "End to end" grain supply chain presence[2]
- Create and capture value in our core grains along the grain chain, with deep insight into consumer requirements in these grains




**Three operating geographies**

- Australasia, North America and Europe[2] → supply over 50% of global trade in our core grains
- Provide market insight and price risk management with multi-origin capability to our consumers

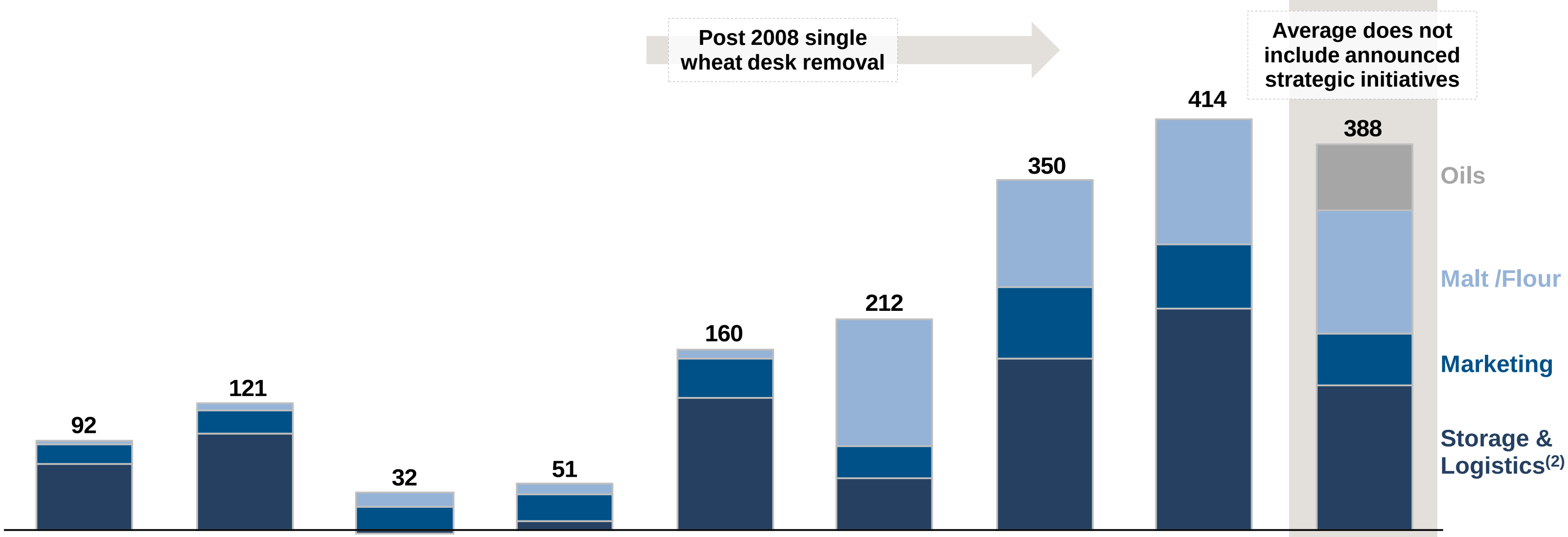


(1) Excludes rice.
(2) See Appendix 7 for overview of assets across the three operating geographies.

# Integrated Business Model delivering strong financial and strategic performance

- Board and management have a proven track record of strategy execution:
  - EBITDA improvement → value add initiatives and benefits post single wheat desk removal
  - EBITDA growth → diversification into grain processing (Malt, Oils and bolt-ons)

**EBITDA[1] ($M) and Country Receival volumes (mmt)**



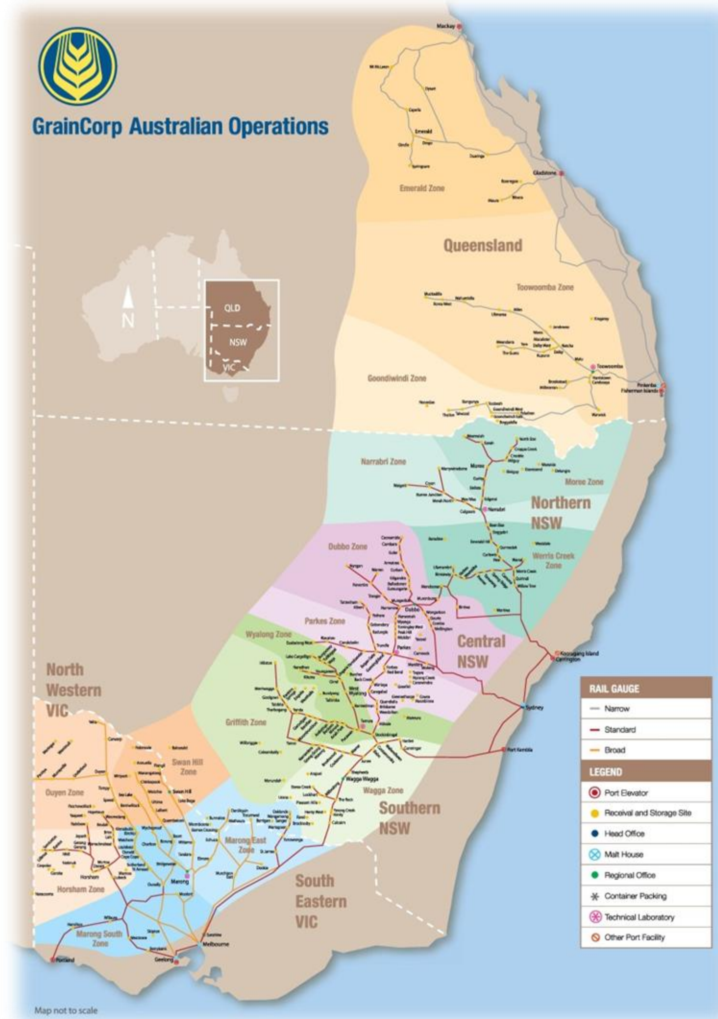

| | FY05 | FY06 | FY07 | FY08 | FY09 | FY10 | FY11 | FY12 | 4-year Average[3] |
|---|---|---|---|---|---|---|---|---|---|
| Country Receivals | 9.3 | 10.8 | 2.3 | 5.8 | 9.6 | 7.4 | 14.9 | 12.2 | 11.0 |

(1) Total EBITDA includes Discontinued Operations.
(2) Includes Country & Logistics, Ports and Corporate.
(3) Refer to Appendix 8 for further detail. Represents average EBITDA for FY09-12 for Storage & Logistics (including Country & Logistics, Ports and Corporate), Marketing EBITDA, Malt EBITDA (where FY09 is Last Twelve Months June 2009 and FY10 is 10.5 months annualised), Allied Mills 60% share of NPAT and Oils EBITDA (based on Gardner Smith year ended 31 March (excluding grain trading) and Integro Foods year ended 30 June (pre synergies).

# Unique portfolio of valuable grain storage and logistics assets and capabilities

## Our eastern Australia grain network

- The largest country site and port network in eastern Australia, handling ~75%[1] of annual grain production[2] through:
  - 280+ sites with ~21mmt of storage capacity handling 55-60% of production
  - 7 (of the 8) bulk ports with ~16mmt elevation capacity handling ~90% of bulk grain exports
- Manage 20+ grain trains with more than 5mmt freight capacity
  - Including 4 company owned trains
- Infrastructure network cannot be easily replicated → replacement value substantially greater than book value
- Infrastructure presence supported and linked by domestic and international grain Marketing capability

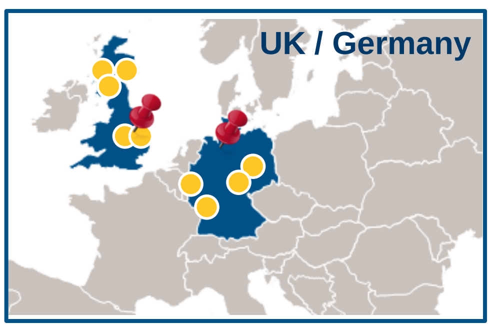



(1) Includes country and direct to port receivals.
(2) Eastern Australia's annual wheat, barley, canola and sorghum production.

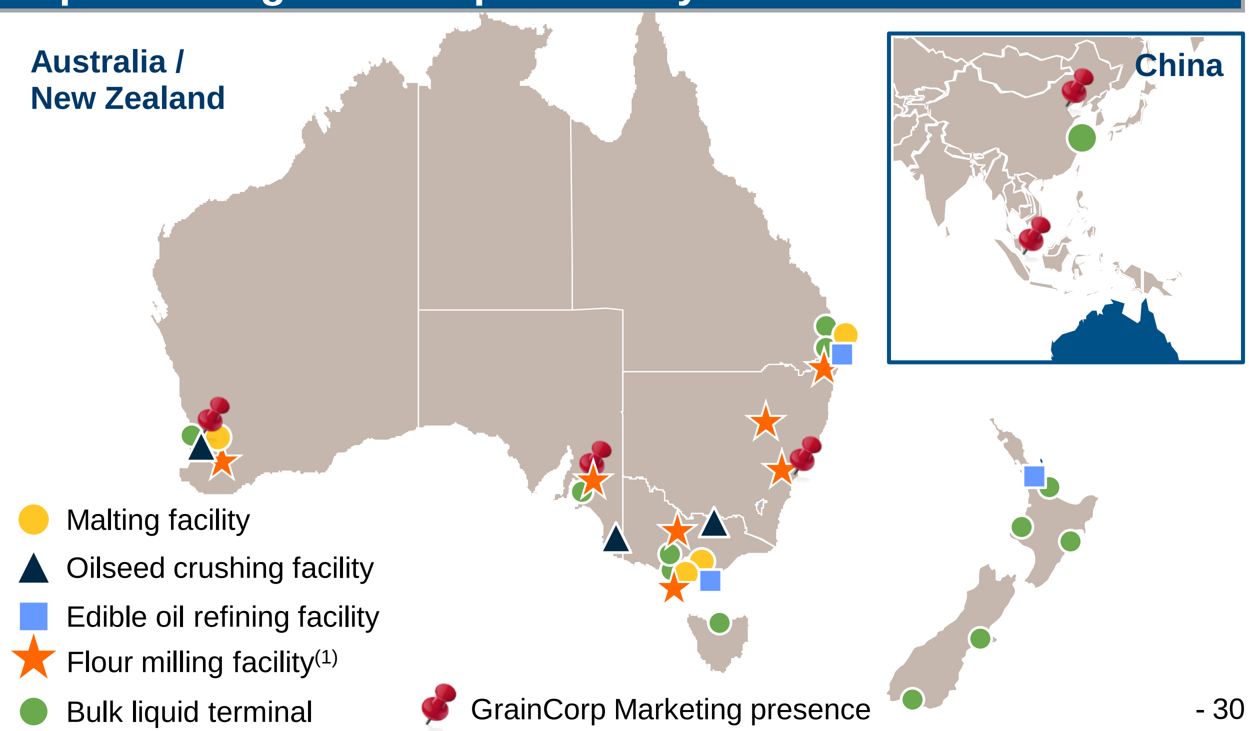
# Unique global portfolio of valuable grain processing and complementary facilities

- Produce ~35% of Australia’s malt
- Produce ~35% of Australia's flour(1)
- Produce ~40% of Australia’s canola oil and ~40% of Australasia’s refined edible oil
- Import and export ~40% of Australasia’s edible oil through 12 bulk liquid terminals
- World’s 4th largest commercial maltster with ~1.4mmt capacity across 18 plants → the largest maltster in Canada (~50% share) and a leading malster in UK, USA and Germany

## Our international portfolio of processing and complementary assets







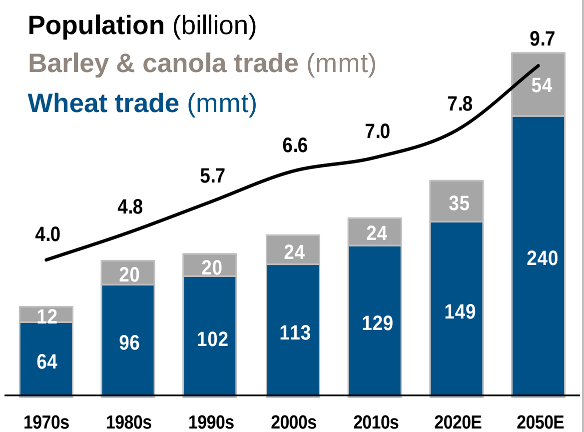

(1) Through our 60% JV share of Allied Mills.

# Global exposure to attractive grain industry fundamentals

## Global grain demand

- Global grain trade has doubled in the past 40 years
- Global trade of our core grains expected to double by 2050, driven by Middle East and North Africa ("MENA"), eastern Africa and Asia

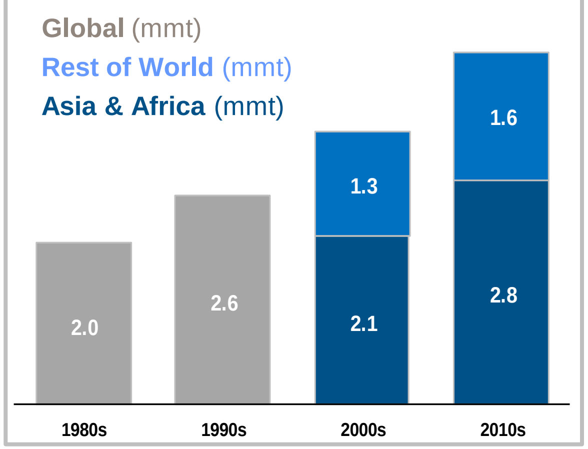
### Global Grain Trade(1)




## Global malt demand

- Global malt export trade has doubled in the past 40 years
- Demand growth to 2020 expected to be driven by developing world
- Supported by strong global demand for scotch whisky

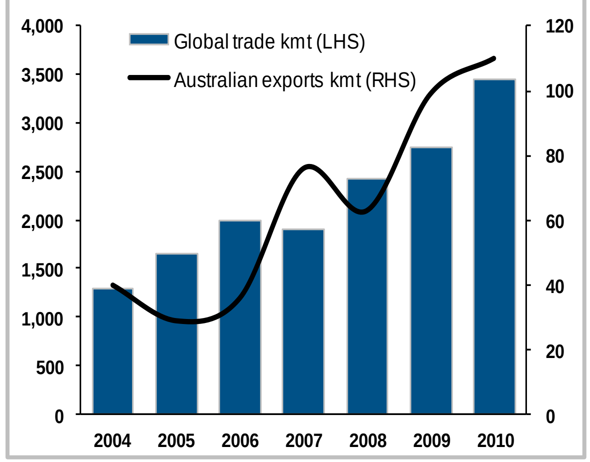
### Global Malt Trade(2)




## Global canola oil demand

- Australian canola oil exports have trebled in the past 10 years, in line with global trade growth
- Global demand growth supported by changing consumer preferences
- Strong demand from Asia

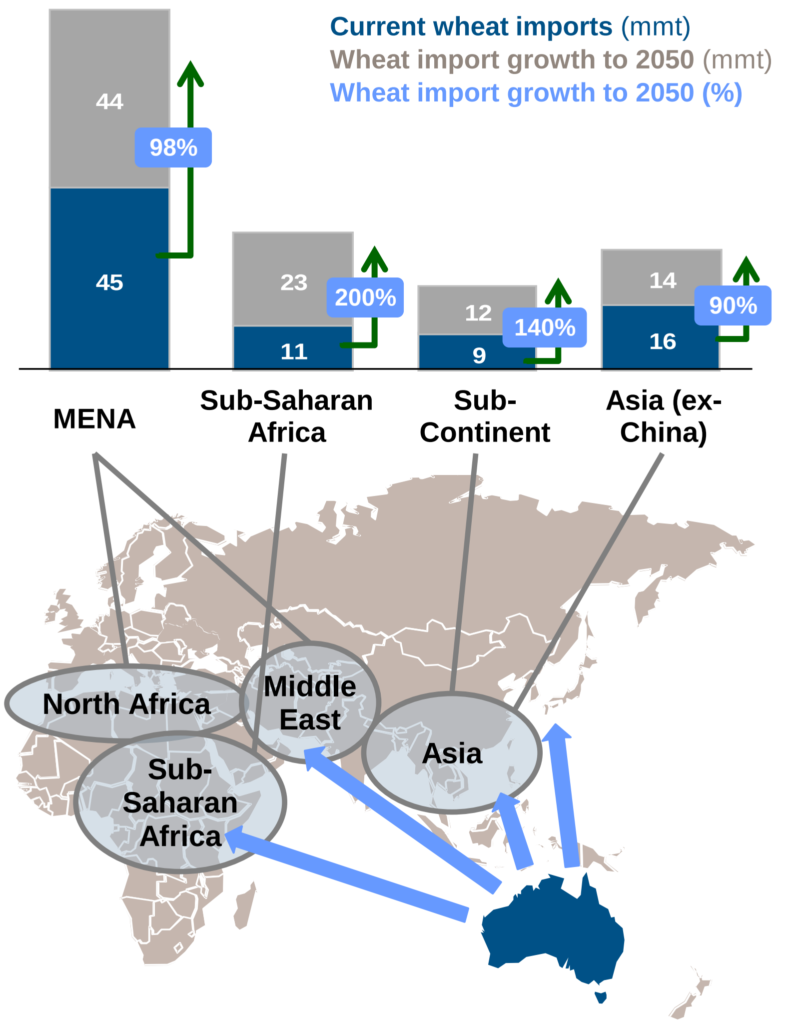
### Global Canola Oil Trade(3)




(1) Source: GrainCorp estimates based on UN (Population Revisions 2010) and FAO.
(2) Source: USDA and IGC.
(3) Source: USDA. kmt is thousand metric tonnes.

# Origination advantages to supply global demand growth markets

Wheat Imports to 2050[1]




## Demand growth in proximate regions

- Australia has freight advantages to import-dependent and growth markets for grain and processed grains (malt and canola oil)
- For example Middle East, Africa and Asia expected to account for ~85% of the ~110mmt increase in global wheat trade to 2050

## Australian grain quality advantages

- Eastern Australia produces high quality grain grades highly sought in global growth regions
- Australian wheat (and barley) has strong quality advantages such as:
  - **Wheat** → dry, clean, mid-high protein, white with high flour extraction. Ideal for Asian noodles and Arabian flat breads
  - **Barley** → dry, clean with desirable characteristics. Ideal for Chinese malt and MENA feed markets

(1) Sources: USDA, US Wheat Associates.

# Strategy Update

Earnings growth initiatives

# Earnings growth initiatives targeting ~$110M incremental underlying EBITDA by end FY16

GrainCorp

- "Gamechangers" represent previously announced strategic initiatives(1)
  - Good progress and target incremental EBITDA upgraded to ~$45M by end FY15(2)
- Asset optimisation and Port flexibility growth initiatives also being pursued
  - Targeting ~$65M incremental EBITDA by end FY16

| Gamechangers(1) | Asset Optimisation | Port Flexibility |
|---|---|---|
| • Previously announced Strategic Themes<br>• On track to implement 35 projects by end FY15 across all Business Units | **Oils optimisation**<br>• Synergies<br>• Network optimisation<br>**Port optimisation**<br>• Port diversification<br>• Continuous improvement | **Access arrangements**<br>• Operating flexibility<br>• Long term planning<br>• Demand management |
| ~$45M EBITDA | ~$45M EBITDA | ~$20M EBITDA |

**Strong industry fundamentals will drive additional earnings growth**

(1) Announced on 24 May 2012 as part of 2012 Investor Day presentation. Refer to Appendix 9 for further detail.
(2) 24 May 2012 announcement Gamechangers targeted incremental EBITDA of ~$40M by FY14. Upgraded to ~$45M by end FY15.

# Gamechangers – strong progress on implementation of identified projects

- **Target incremental underlying EBITDA → ~$45M by end FY15 with capex of ~$70M(1)**

| | Strengthen our grain handling network | Grow our grain Marketing business | Create and capture additional Malt value |
|---|---|---|---|
| **Achievements** | ✓ Key site and equipment upgrades<br>✓ Improved market access with cash for warehouse grain and smart phone app<br>✓ Rail productivity with enhanced stock systems<br>✓ Road productivity, truck slotting<br>✓ Growth in container exports | ✓ Global trading and risk management system designed<br>✓ Hamburg and Calgary offices operational<br>✓ Grain functionality information and reports with new test mill<br>✓ Growth in WA and SA(2) | ✓ Global customer proposition in malt sales and barley procurement<br>✓ Global platforms and systems designed<br>✓ Waste water recycling facilities<br>✓ Operating excellence projects identified |
| **On track** | ✓ Active Stock Management improving grain availability<br>✓ Rail optimisation projects to reduce cycle times<br>✓ Sales & Operating Process to improve customer service | ✓ Global trading system to be implemented in 2013<br>✓ Strengthen customer relationships through tailored offering to strategic customers | ✓ Expansion of Vancouver and Calgary<br>✓ Grow craftbrew and bagging capability<br>✓ Review capacity expansion opportunities |
| **EBITDA** | ~$20M | ~$12M(3) | ~$14M |

(1) ~$70M capex over 3 years FY13-15. $20M capex spent in FY12.
(2) Western and South Australia.
(3) Represents Profit Before Tax, Depreciation and Amortisation.

# Asset Optimisation – Oils targeting synergies and growth

GrainCorp

- Optimise Oils business and build on our leading Australian presence
- **Target incremental underlying EBITDA → ~\$25M by end FY16 with capex of ~\$115M**

Asset Optimisation

**Capture Oils synergies**

- Integration plan developed and synergies identified
- \$7M(1) in cost and procurement synergies from:
  - Integration and co-location of corporate functions
  - Integrated procurement and supply chain management
- IT and system separation capex of \$17M

**Strengthen and optimise capability**

- Expand crushing and develop full refining ("deodorising") capability at Numurkah's 200kmt canola crushing facility to:
  - Reduce operating costs by leveraging "seed to fully processed oil" capability
  - Reduce supply chain costs with access to local canola
  - Service growing domestic and export markets
- Optimal capacity plan being assessed
- Targeting ~\$18M incremental EBITDA with capex of \$90-100M

(1) Includes \$4M cost synergies announced in 28 August 2012 Acquisition of Gardner Smith & Integro Foods investor presentation.

# Asset Optimisation – Port terminal volume growth and network efficiencies

GrainCorp

- Currently handle ~3mmt of non-grain commodities across our unique port terminal portfolio(1)
- Increase non-grain volumes at port terminals and pursue efficiency gains
- **Target incremental underlying EBITDA → ~$20M by end FY16 with capex of ~$65M**

**Asset Optimisation**

**Grow Pacific Terminals bulk liquid capacity**

- Projects identified to service growing demand for bulk liquid terminals in non-edible oil bulk products:
  - Expansion of port facilities in Brisbane to increase capacity for imported fuels
  - Capacity expansion at Adelaide and Perth for other products

**Grow non-grain volumes at bulk grain port terminals**

- Projects identified to grow non-grain products at grain terminals:
  - Brown field expansion of facilities at Pinkenba (Brisbane) for other bulk products
  - Woodchip export expansion at Portland (Victoria)
  - Fertiliser, cement and other bulk products identified

**Rollout continuous improvement initiatives**

- Detailed analysis undertaken at grain port terminals:
  - Process improvements identified with limited capex
- Similar study commenced in Country & Logistics

(1) Includes non-grain commodities at our Storage & Logistics bulk grain port terminals and edible oil and non-organic bulk liquid commodities at our Pacific Terminal bulk liquid port terminals.

# Port Flexibility – port terminal flexibility and planning for bulk grain exports

GrainCorp

- Move towards Long Term Agreement ("LTA") and Industry Code structures for access to bulk grain port terminal capacity will allow greater flexibility
- **Target incremental underlying EBITDA → ~$20M with minimal capex required**

**Structure**

| Spot Port Protocol | LTA Port Protocol | Industry Code |
|---|---|---|
| (current) | (from 2013)[1] | (from 2015)[2] |

**Benefits of flexibility**

### Operational flexibility

Reduce the cost from 10-15% of ships failing survey

- Minimise port block out and transport cancellations
- Reduce ship delays and demurrage costs

### Long term planning

- Port access certainty for export marketers → meet consumer commitments and improve rail utilisation
- Smooth port earnings variability → $8 / tonne "take-or-pay" commitment 3 years out

### Demand management

Improve port competitiveness:

- More consistent monthly volumes to reduce operating costs
- Through the cycle margin improvement
- Attract volumes from container exports and direct ex-farm receivals

(1) Subject to no ACCC objection as per the Port Access Undertaking with the ACCC.

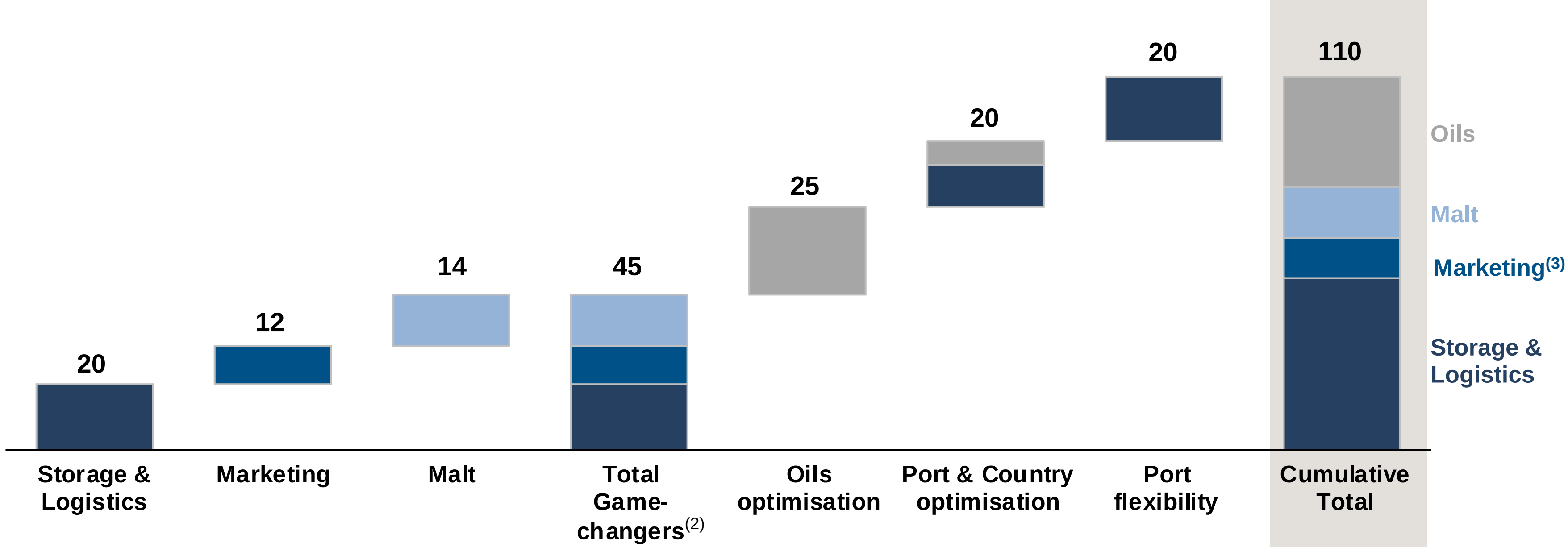
(2) Subject to Wheat Export Marketing Amendment Bill 2012 passing through the Australian Federal Parliament.

# Earnings growth initiatives targeting ~$110M incremental underlying EBITDA by end FY16

GrainCorp

- Confident of delivery due to conservative assessment of progress to date, balance sheet strength, management track record in strategy execution and focused leadership team
- Identified ~$250M[1] capex to deliver rates of return in excess of company hurdles

## Incremental underlying EBITDA and Capex ($M) from FY13




| Storage & Logistics | Marketing | Malt | Total Game-changers[2] | Oils optimisation | Port & Country optimisation | Port flexibility | Cumulative Total | |
|---|---|---|---|---|---|---|---|---|
| ~25 | ~15 | ~30 | ~70[1] | ~115 | ~65 | - | ~250 | Growth capex |
| Gamechangers[2] | | | | Asset Optimisation | | Port Flexibility | Total | |

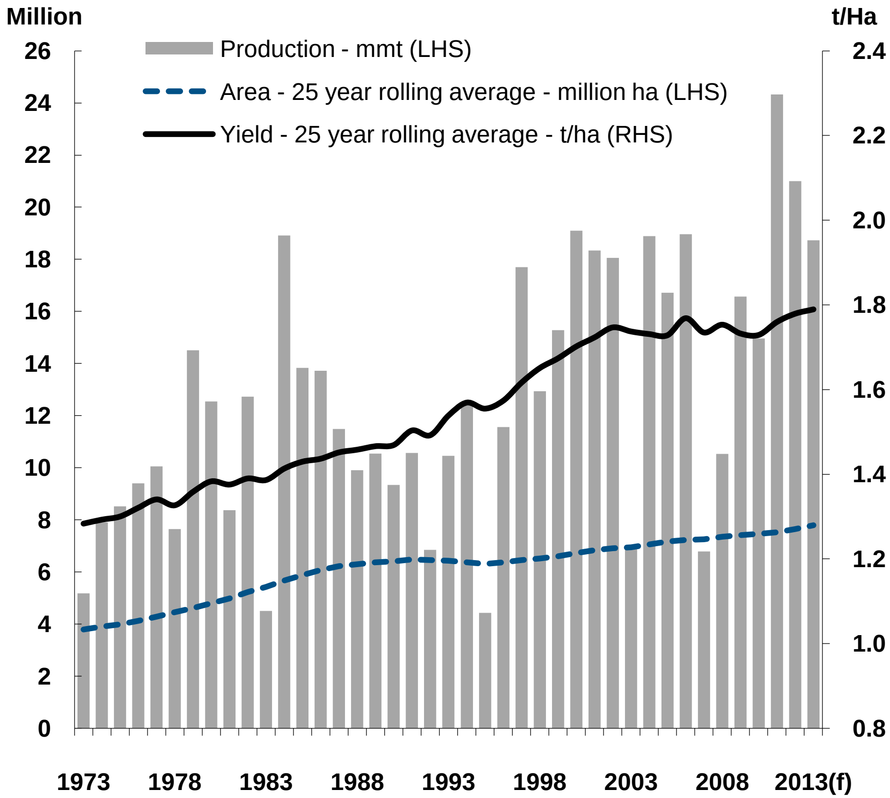
(1) Excludes $20M capex spent in FY12.
(2) Refer to Appendix 9 for further detail. Initially announced on 24 May 2012 as part of 2012 Investor Day presentation. Target incremental underlying EBITDA was ~$40M by end FY14, but now upgraded by $5M and extended by 1 year to ~$45M by end FY15. Capex initially announced as $80-120M, but revised to ~$90M with $20M spent in FY12.
(3) Marketing represents Profit Before Tax, Depreciation and Amortisation.

# Industry fundamentals support additional earnings growth

GrainCorp

## Growth in Australian grain supply to meet increased global demand

**Eastern Australian Grain Production Growth(1)**




- Australia is well positioned to double agricultural exports by 2050(2)
- Our unique portfolio of integrated country and port facilities has the capacity to handle increased grain volumes → service the growing global demand for grain
- Driven by yield and area growth, eastern Australia's underlying grain production has increased ~50% in the 20 years to 2012
- Improved varieties and farm practices expected to drive higher grain production
- By 2022, based on projected growth rates, our normalised receival and export grain volumes would rise ~20%(3)

(1) Source: ABS and ABARES wheat, barley, canola and sorghum estimates.
(2) Source: Greener Pastures: The Global Soft Commodity Opportunity for Australia & NZ, ANZ Insight, Oct 2012; Australia in the Asian Century, Aust Govt, October 2012.
(3) Source: L.E.K. Consulting analysis. Assumes grain production growth of 1.75% p.a., domestic demand growth of 1.70% p.a., and current GrainCorp receivals and export shares.

# GrainCorp is Australia's leading agribusiness

GrainCorp

- **Integrated Business Model with an international "end-to-end" grain supply chain connecting consumers to growers**
- **Unique portfolio of local storage and logistics assets and local and international downstream processing assets linked by a global Marketing platform**
- **Global exposure to attractive grain industry fundamentals with strong demand growth for grain and processed grain coupled with origination advantages**
- **Confident in delivering growth from identified strategic initiatives targeting ~$110M incremental underlying EBITDA by end FY16**
- **Track record delivering corporate objectives and strategy execution**

# 2012 Results Release and Strategy Update

## Appendices

GrainCorp

# Appendix 1 – Significant Items reconciliation

| $M | Segment | EBITDA | Net Interest | D&A | Tax | NPAT | Details |
|---|---|---|---|---|---|---|---|
| **Underlying** | | **414** | **(31)** | **(91)** | **(87)** | **205** | |
| Defined benefit curtailment | Malt | 17 | - | - | (5) | 12 | Defined benefit plan adjustment reflects the re-measurement of the liability recognised in relation to the Australian Top-up Benefit Fund due to curtailment of the obligation in FY12. |
| Legislative change in deferred tax | Corporate | - | - | - | (12) | (12) | Adjustment to deferred tax reflects the impact of changes to the tax base for capitalised customer contracts. The change was required by the Tax Laws Amendment (2012 Measure No. 2) Bill 2012 enacted 29 June 2012. |
| Oils acquisition costs | Corporate | (7) | - | - | 2 | (5) | Gardner Smith and Integro Foods acquisition advisory related costs incurred as at end Sept-12. |
| Toowoomba insurance proceeds | Allied Mills | 5 | - | - | - | 5 | Insurance settlement received in the year relating to flood damage at Toowoomba. The amount reflects GrainCorp's post tax share of proceeds received net of an impairment relating to plant and equipment. |
| **Statutory** | | **429** | **(31)** | **(91)** | **(102)** | **205** | |

# Appendix 2 –
# Storage & Logistics throughput volumes

GrainCorp

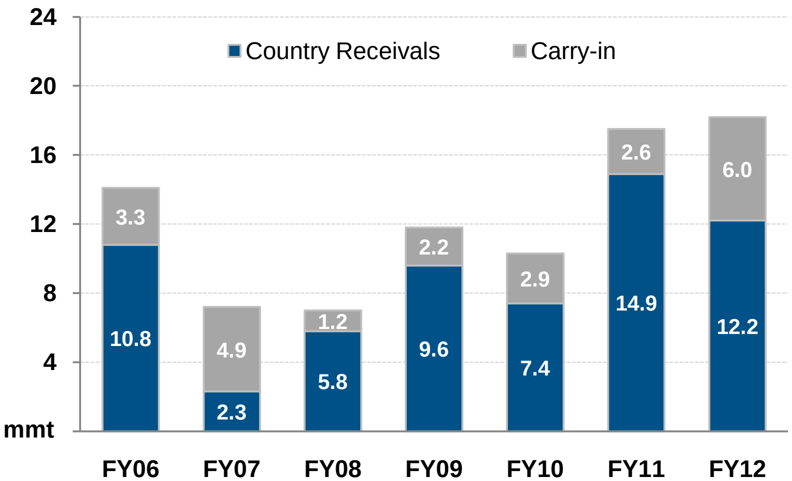
| Volume driver (mmt) | FY12 | FY11 | Comments |
|---|---|---|---|
| Grain carry-in (1-Oct) | 6.0 | 2.6 | • High FY12 carry-in due to large FY11 crop |
| Country network receivals | 12.2 | 14.9 | • 59% country receivals share of production[1]<br>• Lower receivals versus prior year but higher versus normalised |
| Grain exports handled | 10.6 | 8.1 | • ~90% share of eastern Australia's bulk exports<br>• Supported by increased rail freight capacity |
| Non-grain exports and imports handled | 2.3 | 1.9 | • Includes woodchips, cottonseed, orange juice, meals, mineral sands and fertiliser. FY12 includes 1.8mmt exports (FY11 1.5mmt) and 0.5mmt imports (FY11 0.4mmt) |
| Grain carry-out (30-Sept) | 4.3 | 6.0 | • Grain stored at period end<br>• Carry-out above normalised and to benefit FY13 result |
| **Throughput[2]** | **28.5** | **24.1** | • Average of country sites in and out, and ports grain and non-grain exports handled |
| Domestic grain outload | 6.3 | 5.7 | • Higher share of supply to domestic grain market |
| Grain received at port | 3.0 | 2.3 | • Grain received direct at port ex-farm and other bulk handlers<br>• Total receivals share (country, ports) rises to 74% of production |

(1) ABARES' eastern Australia wheat, barley, canola and sorghum production estimate of 20.6mmt.
(2) Average Country & Logistics grain inload (carry-in + receivals) and outload (carry-in + receivals – carry-out) + Ports grain and non-grain exports handled.

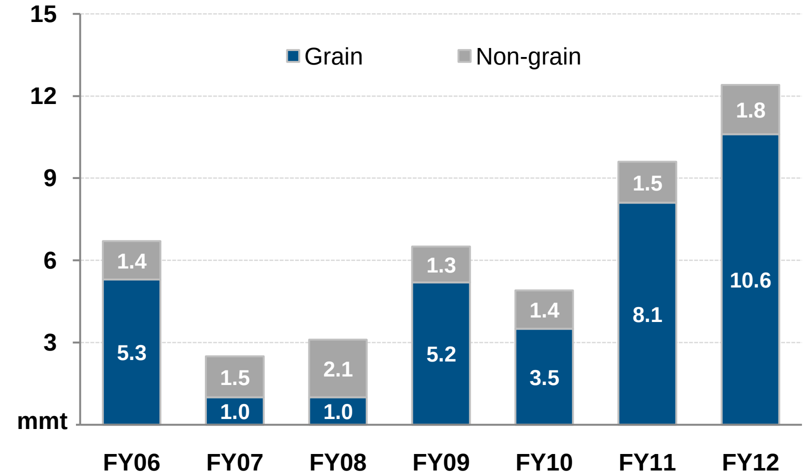
# Appendix 3 –
# Storage & Logistics handling volumes

GrainCorp

### Country Receivals and Carry-in - mmt




### Exports(1) Handled - mmt




- Strong volumes handled → 12.2mmt country receivals (11.0mmt winter and 1.2mmt summer), 10.6mmt grain exports (10.2mmt bulk and 0.4mmt containers) and 1.8mmt non-grain exports
- Strong market shares maintained
- Large volume and complex task → 6.0mmt carry-in and 6.1mmt rail freight
- Improved underlying asset utilisation → higher grain and non-grain volumes

(1) Includes grain and non-grain bulk elevations and containers.

# Appendix 4 – Capital structure pro-forma post Oils acquisition

- FY12 pro forma Core Debt[1] of $320M following completion of $472M Oils acquisition and pro-rata renounceable entitlement offer

| $M | 1. FY12 Actual | 2. Oils Acquisition | 3. Retail Offer | Pro Forma |
|---|---|---|---|---|
| Short-term borrowings | 338 | 7 | – | 345 |
| Long-term borrowings | 340 | 225 | – | 565 |
| Total debt | 678 | 232 | – | 910 |
| (-) Cash and cash equivalents | (350) | 147 | (51) | (254) |
| Total net debt | 328 | 379 | (51) | 656 |
| (-) Marketing grain inventory | (312) | – | – | (312) |
| (-) Gardner Smith trade inventory[2] | – | (17) | – | (17) |
| (-) Gardner Smith oilseed inventory finance | – | (7) | – | (7) |
| Core Debt | 16 | 355 | (51) | 320 |
| Book value of equity | 1,540 | 116 | 51 | 1,707 |
| Core Gearing[1] | 1.0% | | | 15.8% |
| Core Debt/EBITDA[3] | 0.04x | | | 0.67x |
| EBITDA/Net interest[3] | 13.2x | | | 10.7x |

1. Cash balance at 30 Sep 2012 includes $104M net proceeds from institutional entitlement offer completed on 11 Sep 2012
2. Oils business acquisitions completed on 2 Oct 2012
3. Net proceeds from retail entitlement offer completed on 5 Oct 2012

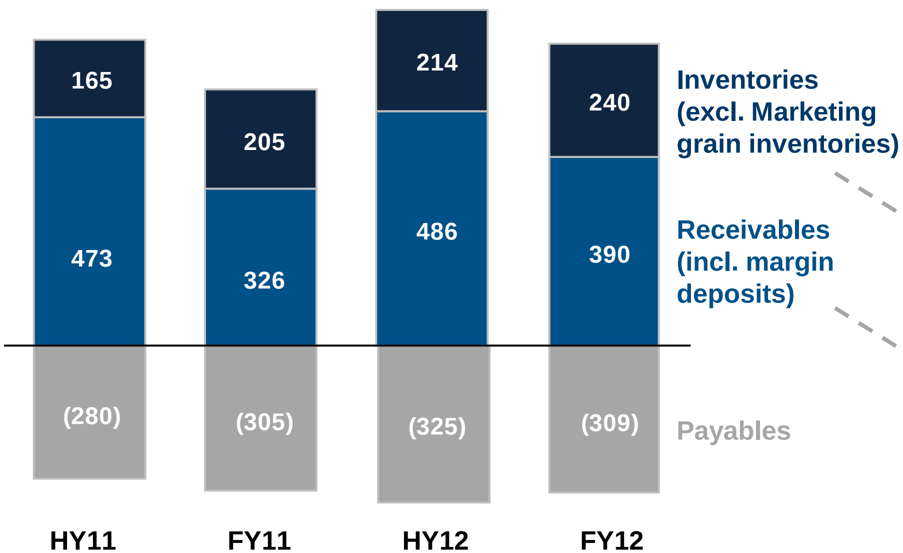
Does not include margin deposits relating to MF Global

(1) Core Debt = Total Debt less Cash less Marketing and Oils grain and oilseed inventory. Core Gearing = Core Debt / (Core Debt plus Equity).
(2) Gardner Smith trading commodity inventories at completion which were funded using cash on hand.
(3) Pro forma metrics include EBITDA adjustment for Oils based on year ended 31 March 2012 for Gardner Smith and 30 June 2012 for Integro Foods and adjustment to net interest expense.

# Appendix 5 – Working capital

- Net working capital(1) $95M higher at FY12 compared to FY11 due to high Malt segment inventories and Marketing segment margin deposit receivables

**FY11-12 Net Working Capital - $M(1)**




| | HY11 | FY11 | HY12 | FY12 |
|---|---|---|---|---|
| Net Working Capital | 358 | **226** | 375 | **321** |

Higher at half year due to seasonal working capital requirements of eastern Australia's grain harvest

| $M | FY11 | FY12 |
|---|---|---|
| Malt inventories | 201 | 236 |
| Marketing margin deposits | 11 | 81 |

## Malt inventories

- FY12 malting barley ($126M) and finished goods ($98M) elevated primarily due to higher barley prices

## Marketing margin deposits

- ~$30M relates to MF Global(2) recoveries → $16M recovered to date
- Also higher due to higher soft commodity prices

(1) Excludes Marketing grain inventories. Net working capital defined as Trade & Other Receivables including margin deposits (Receivables), plus Inventories excluding Marketing grain inventories (Inventories) less Trade & Other Payables (Payables).
(2) See ASX Announcement dated 11 November 2011.

# Appendix 6 –
# Growth capex supporting strategy

GrainCorp

- Business investment to drive growth through site and facility developments, upgrades and efficiency gains, new systems and platforms to facilitate growth
- FY12 includes ~$20M applicable to pursuit of Gamechangers[(1)]
- FY11 includes final year of Pinkenba malt plant development

| $ M | Segment | FY11 | FY12 | FY12 Comments |
|---|---|---|---|---|
| Receivals equipment | S&L | 3 | 12 | New grain stackers to improve country network inload efficiency and capability |
| Site improvements / upgrades | S&L | 14 | 20 | Customer service upgrades (new country bunkers and handling equipment, Ports truck marshalling yards); Ports woodchip handling capability |
| Systems | Marketing | 1 | 10 | Global risk management and trading system |
| Other | Grains | 1 | 2 | Including: Enhanced stock management system; Pricing and stocks support for growers (cash for warehouse and smart phone app); Treasury IT system |
| **Grains & Corporate[(2)]** | | **19** | **44** | |
| Port of Vancouver | Malt | 7 | 10 | Malt facility redevelopment - funded through compensation receipts |
| Calgary recycling | Malt | 3 | 5 | Waste water / heat exchange agreement with local power generation facility (ENMAX) |
| Pinkenba development | Malt | 30 | - | Completion of Pinkenba development |
| Other | Malt | 4 | 4 | Including: Waste water recycling initiatives ($2M FY11 at Geelong and $1M FY12 at Witham); Nth American warehouse system; Global IT system |
| **Malt** | | **44** | **19** | |
| **Total growth capex** | | **63** | **63** | |

(1) Announced in the 2012 Investor Day presentation on 24 May 2012.
(2) Includes Storage & Logistics, Marketing and Corporate.

# Appendix 7 – integrated and international "end-to-end" supply chain

GrainCorp

- Our three integrated grain activities create value in our core grains by leveraging our:
  - Strategic supply chain storage and port infrastructure assets
  - Local and international soft commodity market insights
  - Grain processing expertise across malt, oils and flour food ingredients

**Storage & Logistics** → **Marketing** → **Processing**

## Storage & Logistics

**Australia**

- Largest grain storage network in eastern Australia with over 280 storage sites, 7 port terminals and 3 container packing facilities
- National footprint of 7 bulk liquid port terminals

**International**

- Bulk liquid port terminals in New Zealand (5) and China (1)
- Grain storage and handling sites in Canada (10)
- 1 bulk grain port (Canada)

## Marketing

**Australia**

- National presence
- Marketing wheat, barley, canola and other grains to domestic customers

**International**

- Presence in Asia, Europe and Canada
- Marketing grain to ~25 countries

## Processing

**Flour (Australia)**

- 60% ownership of Allied Mills, Australia's largest flour mill network

**Malt (Global)**

- World's 4$^{th}$ largest commercial maltster
- 18 plants in Australia, Canada, USA, UK and Germany

**Oils (Australia and New Zealand)**

- Australia's leading integrated edible oils business[1]
- 3 oilseed crushing plants and 3 edible oil refining/packaging facilities in Australia and New Zealand

(1) Oils business also includes complementary national used cooking oil collection business in Australia and stockfeed businesses in Australia and New Zealand.

# Appendix 8 –
# 4 year average EBITDA

GrainCorp

| $M | FY09 | FY10 | FY11 | FY12 | 4-year Average |
|---|---|---|---|---|---|
| Receivals (mmt) | 9.6 | 7.4 | 14.9 | 12.2 | **11.0** |
| Throughput (mmt) | 16.9 | 13.9 | 24.1 | 28.5 | **20.9** |
| | | | | | |
| Storage & Logistics | 169 | 85 | 195 | 250 | |
| Marketing[(1)] | 39 | 32 | 70 | 63 | |
| Malt[(2)] | 133 | 119 | 99 | 117 | |
| Allied Mills (60% NPAT share) | 10 | 9 | 9 | 10 | |
| Corporate[(3)] | (37) | (33) | (22) | (26) | |
| **EBITDA pre Oils[(3)]** | 315 | 212 | 350 | 414 | **322** |
| Oils (pre synergies)[(4)] | 72 | 56 | 72 | 64 | **66** |
| **EBITDA** | | | | | **388** |

(1) Reflects Marketing EBITDA. Marketing's performance measured as PBT and interest treated as part of cost of goods sold.
(2) FY09 includes Last Twelve Months June 2009 and FY10 is 10.5 months annualised following acquisition in November 2009.
(3) Segment EBITDA as reported. FY09-10 and FY11-12 not comparable due to FY11 and FY12 Corporate and business support costs being allocated to the business units in FY11 and FY12, but not in FY09 and FY10. EBITDA excludes Discontinued Operations.
(4) Oils represents year ended 31 March for Gardner Smith (excluding contribution of edible oil and grain trading) and year ended 30 June for Integro Foods.

# Appendix 9 –
# Recap of Gamechangers

GrainCorp

- Initially announced on 24 May 2012 as part of 2012 Investor Day presentation

## Strengthen our grain handling network

1. Drive supply chain efficiency
2. Integrate customer offering
3. Enhance value proposition for growers

**~$20M**

## Grow our grain Marketing business

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

**~$12M(1)**

## Build on our leading flour position

Maximise milling value and pursue downstream growth

## Create and capture additional Malt value

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

**~$14M**

## 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

Benefits incorporated into Gamechangers 1-9

(1) Represents Profit Before Tax, Depreciation and Amortisation.

# Disclaimer

GrainCorp

This presentation includes both information that is historical in character and information that consists of forward looking statements.  Forward looking statements are not based on historical facts, but are based on current expectations of future results or events. The forward looking statements are subject to risks, stakeholder engagement, uncertainties and assumptions which could cause actual results, timing, or events to differ materially from the expectations described in such forward looking statements. Those risks and uncertainties include factors and risks specific to the industry in which GrainCorp operates, any applicable legal requirements, as well as matters such as general economic conditions.

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