

2012 SHAREHOLDER REVIEW

GRAINCORP

THE ESSENTIAL INGREDIENT FOR A GROWING WORLD



GrainCorp

MOVING MORE GRAIN TO MORE MARKETS



280+

LARGEST GRAIN STORAGE NETWORK IN
EASTERN AUSTRALIA WITH OVER 280
STORAGE SITES AND 10 SITES IN CANADA

SEVEN

OPERATE SEVEN BULK PORT TERMINALS IN
EASTERN AUSTRALIA AND ONE IN CANADA

25+
COUNTRIES

MARKET GRAIN TO MORE
THAN 25 COUNTRIES

4TH
LARGEST

WORLD'S FOURTH LARGEST
COMMERCIAL MALT PRODUCER

18 MALT
PLANTS

18 MALT PLANTS IN AUSTRALIA,
CANADA, USA, UK AND GERMANY

35%
OF ALL
MILLED
FLOUR

AND AUSTRALIA'S LARGEST PRODUCER
OF FLOUR FOR HUMAN CONSUMPTION



LARGEST INTEGRATED EDIBLE OILS
CRUSHING AND REFINING BUSINESS
IN AUSTRALIA

13

OPERATE IN 13 BULK LIQUID
TERMINALS IN AUSTRALIA, NEW
ZEALAND AND CHINA

CHAIRMAN'S REVIEW



Alison Watkins
MANAGING DIRECTOR AND CEO

“We are delivering our corporate objectives by improving shareholder returns, managing variability and delivering growth.”

On behalf of the management team, I am pleased to report that GrainCorp delivered record results for the 2012 financial year, achieving our financial and operational targets and demonstrating the value of our integrated business model. It is particularly pleasing that this result has been achieved at the same time as we have recorded a 20% improvement in safety performance. Safety is an important measure of our success.

Our key financial achievements included delivering earnings of \$414 million¹ (up 18%) and profit of \$205 million² (up 19%). We achieved a return on equity of 14.4% and delivered shareholders a total of \$0.65 of dividends per share for the year, representing 68% of net profit after tax (“NPAT”) and above our dividend payout ratio range of 40 - 60% of NPAT through the cycle.

Creation of GrainCorp Oils

A highlight of the year was the announcement of our acquisition of Gardner Smith and Integro Foods, enabling us to create a leading integrated Australasian edible oils business. We are pleased to welcome over 500 new employees and many new customers to GrainCorp as a result of the acquisition. GrainCorp Oils fits well with our strategic focus, provides exposure to additional agribusiness cycles in canola and oilseed processing, builds on our existing supply chain management and grain marketing expertise and further diversifies our earnings base.

Strong Operational Performance

GrainCorp received and handled above-average volumes of grain across our eastern Australian network this year. Six million tonnes of stored grain was carried into the year and we undertook another large receivals task, maintaining our market share of the eastern Australia grain harvest.

Through our seven bulk ports and three container facilities we executed a large and complex task, exporting 10.6 million tonnes of grain and 1.8 million tonnes of non-grain commodities. Nigel Hart and his Storage & Logistics team have worked hard to keep the supply chain moving for our customers, and made sound progress on important change initiatives to improve our planning and efficiency for the future.

GrainCorp Marketing delivered another strong result, reflecting disciplined risk management and an ability to take advantage of emerging opportunities. Marketing delivered 6.9 million tonnes of grain to domestic and offshore customers. Our Hamburg and Calgary offices are established and playing an important role as we continue to provide value for our important core customers.

Sam Tainsh has led the growth of our Marketing business very successfully and we are pleased that he has taken up the opportunity to lead GrainCorp Oils. Sam has built a strong Marketing leadership team and we congratulate Klaus Pamminer on his appointment as General Manager – Marketing, and welcome him to the Executive Leadership Team. Klaus is well known to our customers and is well respected across the industry.

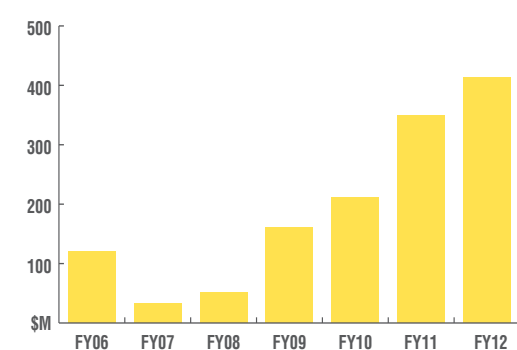
GrainCorp Malt generated a strong result, selling more than 1.3 million tonnes of malt in challenging global conditions. The acquisition of Schill Malz during the year, with its four malthouses in Germany, has been a valuable addition to our global portfolio. In parallel, Steve Haydon and his team have made important progress with integrating GrainCorp Malt to better serve the global brewers, while maintaining our strengths with the craft brewers and distillers.

Outlook

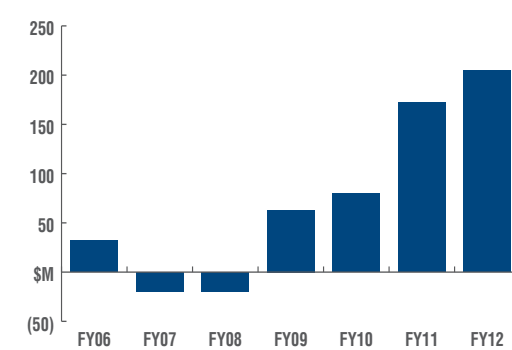
Our outlook for the 2013 financial year is positive. We forecast firm carry-in and export volumes for our Storage & Logistics and Marketing businesses and will seek to leverage our strong competitive positions with our Malt and Oils businesses in the 2013 financial year.

We thank our shareholders for their ongoing support. We look forward to continuing our journey with you as we continue to build GrainCorp into Australia's leading agribusiness.

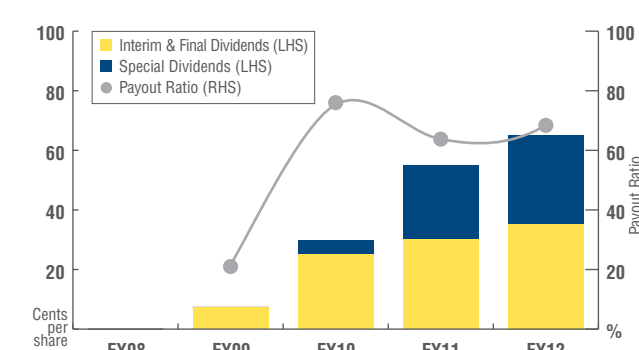
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (\$M)



NET PROFIT AFTER TAX (\$M)



DIVIDENDS



The 2012 financial year was a period of significant growth and achievement for GrainCorp. There were three exciting themes for the year.

Firstly, the company delivered an outstanding financial result, assisted by another good harvest; but also boosted by strong performances across all business units. This is testament to the diligence and commitment of our people and their passion for the company.

Secondly, we are now seeing the real and tangible benefits of our strategy starting to shine through in our financial performance. GrainCorp has made significant progress over the past year in achieving its corporate objectives; particularly in managing variability through the diversification of our earnings base through the creation of GrainCorp Oils. The strong performances of GrainCorp Malt, Marketing and Allied Mills are also testament to the underlying strength of this result.

The focus and discipline that Alison and her team have applied to executing this strategy means that each of our business units has clear objectives and is focussed on generating value for GrainCorp's shareholders.

Thirdly, GrainCorp, with its strategic assets, is ideally positioned to benefit from the broader global agricultural market dynamics which we expect will continue to generate a substantial increase in demand for our services and products.

Most estimates predict that the world's population will increase by 35% to peak at 9.7 billion over the next 40 years. An additional 50% – or 1 billion tonnes – of grain will need to be produced each year, much of it for animal feed as wealthier consumers demand more protein in their diet. This will translate into a 100% increase in the global grain trade, as those countries driving the demand are likely to remain import dependent.

Australia's quality grain is in high demand for its characteristics, particularly in the Middle East, Asia and North Africa. Australia (and GrainCorp) enjoys a freight advantage to most of these regions.

With our strong platform, we are well positioned to capture the benefits of this increase in demand and set up our company for further sustainable growth. In May 2012 we announced our “Gamechangers”, a plan to deliver \$40 million of incremental EBITDA by the end of the 2014 financial year. We have since upgraded this plan to approximately \$45 million of incremental EBITDA by the end of the 2015 financial year. We have also announced “Asset Optimisation” and “Port Flexibility” growth initiatives, targeting a further \$65 million in growth.

We are pursuing the following projects to deliver this outcome:

- Further strengthening our grain handling network;
- Realising synergies and growth in our GrainCorp Oils business;
- Creating and capturing additional value from GrainCorp Malt;
- Growing our Marketing business;
- Growing non-grain volumes through our Ports; and
- Increasing the flexibility of our Port operations.

The opportunities and the path ahead for GrainCorp are exciting. Our strategy is delivering results and dividends, with 36% total shareholder return (“TSR”)¹ achieved in 2012 and our TSR has materially outperformed the ASX200 over the last two years. We have a clear set of objectives designed to continue capturing growth in global grain demand.

Importantly, we recognise that our interests are inextricably linked with those of our growers. Australian grain growers are highly efficient, and are among the world's least subsidised, yet they are also struggling under the burden of the high regulatory costs that have been placed on our sector.

In the year to come, GrainCorp will remain a strong voice in favour of reducing the regulatory burden on our sector and improving its ability to compete in a tough global environment. I look forward to continuing to update you on our progress.



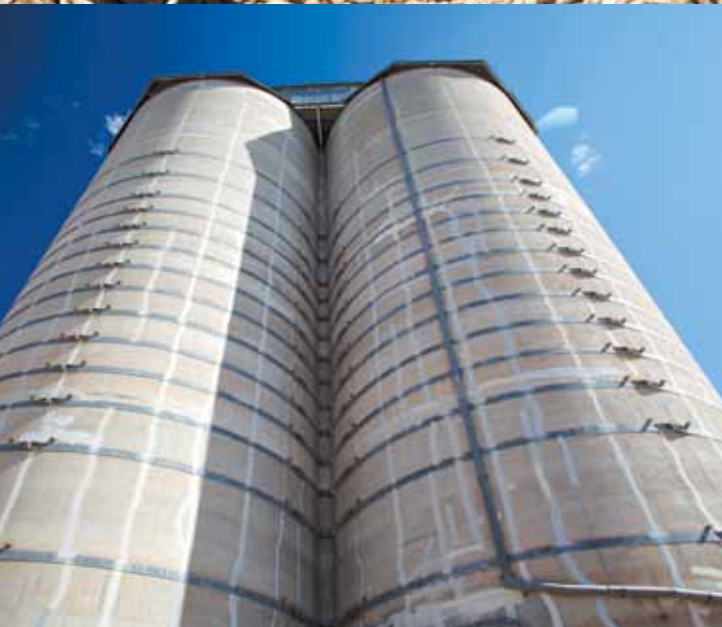
Don Taylor
CHAIRMAN

“We have an integrated business model with an international ‘end-to-end’ grain supply chain connecting consumers to growers.”

¹ Source IRESS, Factset. Represents growth in share price over the period 30 September 2011 to 30 September 2012 assuming dividends are reinvested on the payment date, expressed as a percentage.

MANAGING DIRECTOR'S REVIEW

ABOUT GRAINCORP



We are Australia's leading agribusiness, with integrated “end-to-end” grain handling and processing assets in Australia and overseas. By connecting local and global consumers to grain growers, we play an important role in the international grain supply chain.

Specifically we:

- Handle 75% of eastern Australia's grain crop through direct receivals at either our country sites or port terminals;
- Handle 90% of eastern Australia's bulk grain exports;
- Market 35% of eastern Australia's bulk grain exports to overseas consumers and 25% to eastern Australia's domestic consumers;
- Produce 40% of Australia's crude canola oil and refined edible oils;
- Produce 35% of Australia's flour¹; and
- Produce 35% of Australia's malt.

Our strong Australian presence is complemented by our growing international reach, where we:

- Are the world's fourth largest commercial malt producer with operations in Canada, USA, UK and Germany;
- Are a leading edible oil refiner in New Zealand; and
- Have a growing grain Marketing platform with a presence in the UK, Europe, Canada and Asia.
- Own and operate a leading bulk liquid terminal portfolio with terminals in New Zealand and China.

STORAGE & LOGISTICS	MARKETING	PROCESSING
Australia • Largest grain storage network in eastern Australia with over 280 storage sites, 7 port terminals and 3 container facilities • Leading operator of 7 strategic bulk liquid port terminals in Australia 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)	Australia • National presence • Marketing wheat, barley, canola and other grains to domestic customers International • Presence in Asia, Europe, and Canada • Marketing grain to more than 25 countries	Flour (Australia) • 60% ownership of Allied Mills, Australia's largest flour mill network Malt (Global) • World's fourth largest commercial malt producer • 18 plants in Australia, Canada, USA, UK and Germany Oils (Australia and New Zealand) • Australia's leading integrated edible oils business • 3 oilseed crushing plants and 3 edible oil refining/packaging facilities • Stockfeeds – liquids and dry

OUR CORPORATE OBJECTIVES

Our Corporate Objectives are to:

- **Improve shareholder returns** by creating and capturing value along the grain supply chain.
- **Manage earnings variability** by participating in multiple grain chains and geographies.
- **Grow** to realise opportunities and remain competitive in the global grain market.

We have made significant achievements in meeting these Corporate Objectives through:

- TSR of 36%² in the 12 months to 30 September 2012;
- Dividends to shareholders representing 66% of earnings over the last three years, above our dividend policy range of 40 - 60% through the business cycle;
- Delivering an average return on equity (“ROE”) of 11.3% over the last three years including 14.4% in the 12 months to 30 September 2012;
- Reducing earnings volatility with around half our pro-forma EBITDA following the GrainCorp Oils acquisition now generated outside of grain storage, handling and marketing activities;
- Increasing earnings per share from 39.6 cents in 2010 to 102.6 cents in 2012;
- Organic and acquisitive growth, supported by a strong and prudent balance sheet, driving our market capitalisation from \$100 million 20 years ago to more than \$2 billion, enabling us to enter into the S&P/ASX100; and
- Creating two new processing businesses over the last three years – GrainCorp Malt and GrainCorp Oils.

OUR BUSINESS MODEL

We operate a Business Model based on:

- **Three core grains** – wheat, barley and canola. We focus on the ‘drier climate’ grains where we have comparative advantages of grain origination, freight differentials and technical expertise.
- **Three integrated grain activities** – Storage & Logistics, Marketing and Processing. We create and capture value in our core grains along the grain chain, with insight into consumer requirements in these grains.
- **Three operating geographies** – Australasia, North America and Europe. These regions collectively service over 50% of the global trade in our core grains; providing market insight, price risk management and multi-origin capability.

CREATING VALUE

We create and capture value for consumers, growers and shareholders from the following competitive advantages:

- **Strategic assets** – our unique “end-to-end” infrastructure network at all stages of the grain chain in our three core grains.
- **Freight advantage** – Proximity to the world's growth markets for grain: Asia, Middle East and Africa.
- **Grain origination** – Access to grain with strong quality advantages to satisfy a diversified range of consumer products:
 - Wheat - dry, clean, mid-high protein, white with high flour extraction. Ideal for use in Asian noodles and Arabian flat bread markets.
 - Barley - dry, clean with desirable characteristics. Ideal for use in Chinese malt and Middle Eastern feed markets.
 - Canola - desirable oil content.

1 Through Allied Mills, 60% owned by GrainCorp

2 Source IRESS, Factset. Represents growth in share price over the period 30 September 2011 to 30 September 2012 assuming dividends are reinvested on the payment date, expressed as a percentage.

“We have exposure to attractive global grain industry fundamentals and have confidence in delivering growth with identified initiatives being pursued to achieve approximately \$110 million incremental underlying EBITDA by the end of 2016.”

OUR STRATEGY

We operate in a global grain market that offers considerable growth prospects in the demand for grain and processed grains such as malt and edible oils.

Population growth and rising affluence over the next 40 years is projected to drive a 50% increase in global grain demand and 100% increase in the global trade in grains.

Our strategy is to apply our origination advantages in the supply of grain, malt and edible oils to participate in this growth opportunity from both Australia and internationally.

To achieve this, we have identified growth initiatives targeted at delivering incremental underlying EBITDA of approximately \$110 million by the end of the 2016 financial year.

In May 2012 we announced our “Gamechangers”, a plan to deliver \$40 million of incremental EBITDA by the end of the 2014 financial year. We have since upgraded this plan to approximately \$45 million of incremental EBITDA by the end of the 2015 financial year. We have also announced “Asset Optimisation” and “Port Flexibility” growth initiatives, targeting a further \$65 million in growth.

Gamechangers

Storage & Logistics – Strengthen our grain handling network by improving capability and efficiency to retain and maximise grain volumes through; rail and road supply chain productivity, and an integrated offering and value proposition to growers and consumers.

Marketing – Develop our grain business through volume and margin growth by broadening our relationships with consumers and expanding our origination footprint.

Malt – Create and capture additional malt supply chain value by harnessing our grain processing footprint and capability to develop superior customer offerings through: a global customer engagement model supported by operational best practice and capturing additional value beyond processing.

Asset Optimisation

Oils – The creation of GrainCorp Oils has presented a range of opportunities. An integration plan has been developed and synergies identified. We are developing a plan to strengthen and optimise our network, building on our leading Australian presence.

Ports – Within our Pacific Terminals business, projects have been identified to service growing demand non-edible oil bulk products. We are also looking to increase non-grain volumes through our ports and will rollout continuous improvement initiatives in our Ports businesses.

Port Flexibility

Ports – The planned introduction of new port protocols to accommodate long term agreements and the proposed new regulation will allow port terminals to operate with increased flexibility. This will provide the opportunity to improve the efficiency of our bulk grain export operations, allowing for better long-term planning and improved demand management.

Gamechangers

- Previously announced Strategic Themes
- On track to implement 35 projects by end FY15 across Storage & Logistics, Marketing and Malt

~\$45M EBITDA

Asset Optimisation

Oils Optimisation

- Synergies
- Network optimisation

Port optimisation

- Port diversification
- Continuous improvement

~\$45M EBITDA

Port Flexibility

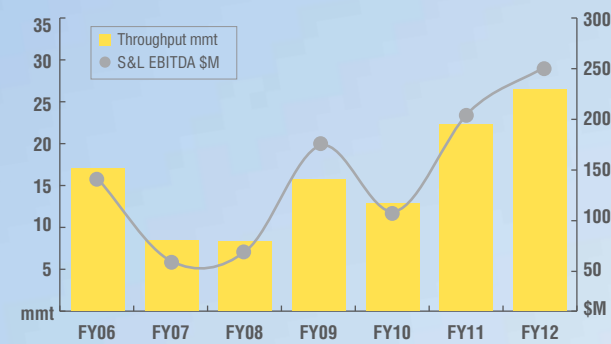
- Operating flexibility
- Long term planning
- Demand management

~\$20M EBITDA

Strong industry fundamentals will drive additional earnings growth

STORAGE & LOGISTICS

STORAGE & LOGISTICS



FY06-FY10 EBITDA adjusted for decentralised Corporate Costs to be consistent with FY11-FY12.

Storage & Logistics recorded higher earnings of \$250 million EBITDA due to effective strategy execution and firm volumes.

COUNTRY & LOGISTICS

Our Country Operations, Logistics and Transport business receives, stores and transports grain produced across the eastern Australian grain belt. It has a network of more than 280 receival and storage sites with capacity to store in excess of 20 million tonnes of grain.

Our Transport team manages a fleet of more than 20 trains with freight capacity in excess of 5 million tonnes.

Our Country Operations network handles approximately 55 - 60% of the annual eastern Australia grain harvest and our Logistics business has approximately 60% share of eastern Australia's grain rail freight capacity.

Key Achievements

2012 was characterised by effective customer service and strong grain volumes and market share. Specific achievements include:

- Improved safety performance through effective leadership and heightened workplace awareness;
- Carried an above average 6 million tonnes of stored grain into the year with a carry-out of 4.3 million tonnes;

- Maintained receivals market share at approximately 60% with our 500+ staff and 3,000+ harvest casuals receiving 12.2 million tonnes of grain, driving high capacity utilisation at many of our 280 country sites;

- Contracted additional trains and improved logistics productivity. Managed record transport volumes, including 6.1 million tonnes of rail freight;

- Successfully upgraded our online Grain Transact stock management system, specifically enhancements to the interface with rail logistics;

- Invested additional capital in our commitment to safety, managing a complex volume task and pursuing network efficiencies and site service upgrades; and

- A team of senior Storage & Logistics managers visited customers in the Middle East to better understand end consumer requirements and the importance of effective and efficient supply chain management.

Outlook

Drier growing conditions through eastern Australia's recent spring have reduced projected crop volumes for the 2012/2013 harvest. To this end, we're expecting a return to more normal receival volumes. To help facilitate another busy transport year, we have maintained additional rail freight contracted in 2012.

PORTS

We operate seven bulk export grain terminals and three container facilities in eastern Australia with annual bulk elevation capacity of 16 million tonnes. Through these port terminals we also handle more than 2 million tonnes of non-grain exports and imports each year.

Key Achievements

2012 was a record year for our Ports division with higher earnings due to strong volumes and improving supply chain efficiency. Specific achievements include:

- Executed a large and complex export task with 10.6 million tonnes of bulk and containerised grain handled;

- Received 3.0 million tonnes of grain direct from non-GrainCorp sites (such as farms and other commercial bulk handlers). To help facilitate this, we successfully implemented a new truck slotting delivery system;

- Handled 1.8 million tonnes of non-grain exports such as woodchips and cottonseed, and 0.5 million tonnes of imports, such as fertilisers, sugar, orange juice and mineral sands;

- Announced additional annual bulk export elevation capacity of nearly 0.6 million tonnes at flagship terminals including Newcastle (Carrington), Geelong and Port Kembla;

- Invested additional capital to expand our Ports' Grain exports by Port truck delivery capability, enhance some of our non-grain handling infrastructure, and improve the safety environment across our network; and

- Progressed with industry to develop an Industry Code of Conduct to form the framework for the proposed new regulation of port terminals.

Outlook

Firm carry-in volumes have contributed to a solid start to shipping for the 2013 financial year and we expect above average exports for the year.

GEMMA MCNICKLE

OPERATIONS MANAGER
GOONDIWINDI ZONE
QUEENSLAND, AUSTRALIA



During my six years at GrainCorp, I've seen the company grow from a leading Australian agribusiness to a successful player in the global market.

I've grown during that time too. My journey at GrainCorp began in 2006 as a Logistics Administration Assistant. Since then I've moved through divisions and locations, and I'm currently the Goondiwindi Zone Operations Manager.

GrainCorp really invests in their people, and values female leaders. In 2012 they began a mentoring program for women in operational roles across the business. My mentor has given me the tools to strengthen my ability to analyse business issues.

I can use the skills I've learned to motivate my team and keep them focused on driving GrainCorp's success.

NATHAN EATHER

ACTING REGIONAL MANAGER
MOREE, NEW SOUTH WALES
AUSTRALIA



My team and I know building strong relationships with our customers is paramount to GrainCorp's success. That's why when our Growers asked for easier ways to do business, we worked on a number of initiatives to deliver this.

One example is the new GrainCorp mobile app. Users can search the latest prices, site information and contact details. We're also using SMS mobile messaging to keep them connected no matter where they are.

At GrainCorp, we're thinking up ways to not only make doing business with us easier but smarter.

MARK JELBART

TERMINAL MANAGER
PORT KEMBLA,
NEW SOUTH WALES, AUSTRALIA

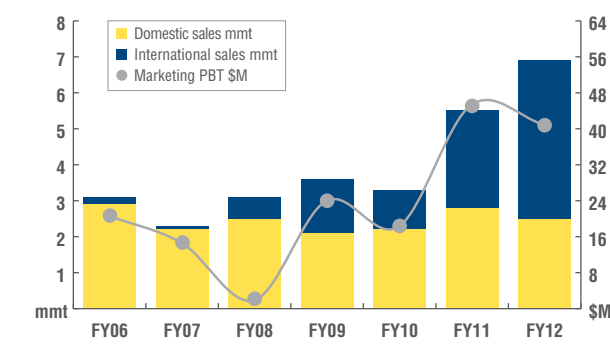


I've been with GrainCorp for more than 13 years and have been fortunate to be given the opportunity to work in many areas within the business including Country Operations, Customer Management, Business Development and Ports.

The experience and knowledge we provide to our customers is unparalleled. We have a substantial Storage and Logistics footprint across the East Coast of Australia – from the country sites right through to the ports.

Last year we exported 10.6 million tonnes of grain. We also ship a range of non-grain products, everything from fertiliser to wood chips and mineral sands.

MARKETING



Includes delivered tonnes, bulk and container sales, Pools and UK's Saxon Agriculture.
FY06-FY10 PBT adjusted for decentralised Corporate Costs to be consistent with FY11-FY12.

Marketing delivered strong earnings of \$63 million EBITDA (\$41 million Profit Before Tax) and continued to grow its presence in Australia, Asia, Europe and Canada.

We buy and sell more than 6 million tonnes of wheat, barley, canola, sorghum and pulses per year, servicing Australian and international customers. Our presence extends across Australia's grain growing regions, and offshore in Singapore, Germany (Hamburg), the United Kingdom and Canada (Calgary).

Our approach is to match grain supply and demand through buying grain from growers, owning and managing along the supply chain, and selling to end consumers.

Global Grain Opportunities

It is estimated that population growth and rising affluence over the next 40 years will drive a 50% increase in global grain demand and 100% increase in the global trade in grains. Due to growth being driven by import dependent regions of South East and North Asia, Middle East, and North and Eastern Africa, export trade of our core grains is forecast to double.

Through our competitive differentiators of Australian grain quality advantages, our "end-to-end" supply chain presence, core grain technical expertise and freight advantages into the growth regions of Asia, Middle East and Eastern Africa, we are well positioned to participate in global grain demand and trade growth.

Key Achievements

Our Marketing business delivered strong sales and continued to develop its offshore presence. Specific achievements include:

- Recorded 6.9 million tonnes of grain and oilseed sales, including 2.5 million tonnes delivered to Australian customers and 4.4 million tonnes to our expanding international customer base;

- Exported grain to 80 customers across more than 25 countries;

- Deepened relationships with key international customers including flour millers in Africa, Middle East and South East Asia and oilseed customers in Europe;

- Established and commenced Hamburg and Calgary barley marketing capability in collaboration with Malt's regional businesses; and

- Completed the design phase for our global risk management and trading platform ("SALT"), and implemented platform components for Hamburg and Calgary offices on time and budget.

Outlook

Good marketing volumes are expected again this year. We will focus on opportunities to link our supply chain in our core grains and core geographies. Domestic and export sales opportunities will be targeted in each of our core operating regions.

WARREN STOW

GRAIN TRADING MANAGER
CALGARY, CANADA
NORTH AMERICA



I joined GrainCorp Marketing in February to head up the Calgary Grain Trading Office. It's been a busy couple of months – employing strategic marketers, getting our systems up and running, and moving into Canada Malting's existing office. We officially began trading in September 2012.

Since then we've been developing relationships with Canadian independent grain companies, and domestic and export customers.

There's real opportunity in the next 12 months to expand the Canadian wheat, barley, canola trade volumes to new and existing trade customers in places like China and South East Asia.

We're excited about the deregulation of the Canadian market, which offers a world of opportunities along the grain chain as GrainCorp strengthens its presence in Canada.

JOHN BOOKER

GROWER
MILVALE, NEW SOUTH WALES
AUSTRALIA



I am a grower in central western New South Wales and deliver my grain to my site at Milvale.

The future is good for Australian agriculture as the world population grows and demand increases in China and India. We are in a good place to supply these markets as one of the world's largest grain exporters.

Getting my crop off the header and into storage is important to me as I see GrainCorp as the honest broker. By using GrainCorp I know there will be demand for my grain, I am able to store without the worry of pest control and I trust that the quality control and testing is going to be accepted as industry standard.



MARKETING

Malt generated EBITDA of \$117 million from record malt sales of 1.32 million tonnes.

We are the fourth largest commercial malt producer in the world, with operations in the United States as Great Western Malting, in Canada as Canada Malting Company, in Australia as Barrett Burston Malting, in the United Kingdom as Bairds Malt and in Germany as Schill Malz. Our 18 strategically located malt plants have an annual malting capacity of 1.4 million tonnes.

Our operational footprint extends across three continents positioning us in regions that account for around 60% of the world's barley production and 80% of malt exports.

We supply malt to more than 1,200 customers around the world including global, regional and craft brewers, scotch whisky distillers and food manufacturers. Around 60% of our sales are to domestic customers and 40% are exported outside the country of manufacture. We export malt to all continents including developing world growth markets.

Key Achievements

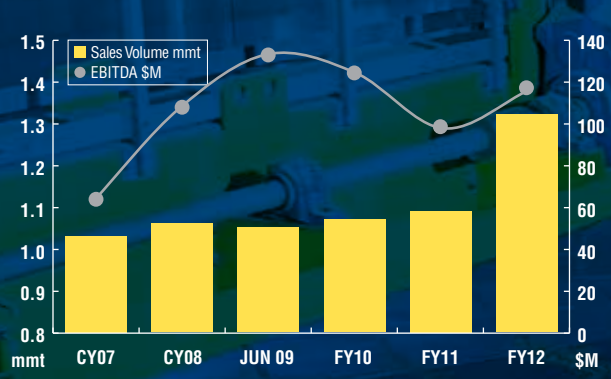
Our Malt business delivered strong sales growth and maintained high levels of capacity utilisation despite a continued challenging global malt market. Specific achievements include:

- Sales of 1.32 million tonnes of malt, 0.2 million tonnes more than the prior year due to increased malt capacity and high capacity utilisation of 95%;
- Successfully integrated German Malt (renamed Schill Malz), adding 190,000 tonnes of annual production capacity in Germany and offering a valuable continental European presence;
- Commissioned our new 86,000 tonne per annum Pinkenba malt plant, a strategically located facility alongside one of our Brisbane ports, well located to service the growing Asian market;
- Strong sales to niche markets including whisky distilling in Scotland and craft and home brew sectors in the United States;
- Created and captured additional earnings from related value chain activities including barley procurement and downstream distribution;
- Development of an integrated proposition in response to the changing needs of the consolidating global brewing market. Customer support is emerging for this global account management strategy;
- Commissioned the Advanced Wastewater Treatment Plant at our Geelong (Australia) malt plant. This sustainability initiative treats 500,000 litres of wastewater each day and reduces the plant's reliance on mains water by up to 135 megalitres each year;
- Gained German organic malt production accreditation;
- Worked with GrainCorp Marketing on grain price risk management as part of a strategy to develop an integrated barley and malt pricing solution for major customers;
- Implementation of key common processes across our five branded malt businesses to integrate and optimise operational performance; and
- Identified and prioritised a series of Operations Excellence projects for implementation in the short to medium term to drive processing efficiencies and deliver enhanced performance.

Outlook

Challenging global conditions are expected to continue in the near term. Malt margin pressure is expected to continue due to excess global malting capacity, challenging barley markets, softening beer demand in mature markets and the strong Australian and Canadian currency. Similar to prior years however, we expect strong capacity utilisation across our portfolio of malt plants, above industry averages. Year to date sales are on track with 1.0 million tonnes sold.

MALT



SIMON LEACH

PLANT MANAGER
PINKENBA, QUEENSLAND,
AUSTRALIA



I'm proud to be part of GrainCorp Malt, the world's fourth largest commercial malting company.

As manager of QLD's state-of-the-art Pinkenba Plant, my team and I have worked hard to exceed production targets in the first year of operation – a massive accomplishment in a facility that processes more than 86,000 tonnes of malt.

We're exceeding business expectations because of our people. They take pride in their work and it shows in the results.

ALLIED MILLS

Allied Mills' delivered \$25 million EBITDA (proportionate share) in the year through growth in its value add product range and benefits achieved from its low cost and flexible national footprint.

We have a 60% joint venture interest in Australian-based Allied Mills, a manufacturer and distributor of food ingredients and semi-finished products.

With more than 100 years of flour milling experience, Allied Mills has a flour milling and pre-mixing manufacturing footprint with operations in all mainland states of Australia. It operates 7 flour mills and 5 mixing and frozen product manufacturing facilities, supported by warehouse and distribution capabilities.

Allied Mills produces a broad range of premium quality ingredients and semifinished products. Allied Mills has a wide range of customers incorporating major independent and multinational food manufacturers, supermarket retailers and foodservice operators.

"End-to-end" Grain Chain Value

As a leading Australian grain processor, Allied Mills procures over 800,000 tonnes of high protein and soft milling wheat and other grains each year. Allied Mills provides us with a valuable presence in downstream processing.

In addition to earnings contributions, Allied Mills generates a range of value streams for our Storage & Logistics and Marketing businesses, including:

- Grain throughput – procurement of grain by, and on behalf of, Allied Mills at our country receival sites drives storage and handling throughput and helps create market contestability (which in turn attracts grain for sale);
- Grain procurement – around 400,000 tonnes of predominantly wheat is sourced from our Marketing business each year; and
- Grain freight management – our logistics team manages rail and road logistics on Allied Mills' behalf, including trains in New South Wales and Victoria.

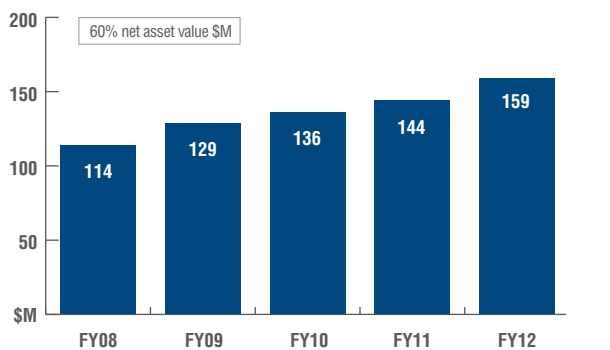
Key Achievements

- Continued earnings growth from value-add product initiatives including par baked products;
- Replacement of Toowoomba milling capacity (closed due to flooding) with expansion of existing Tennyson (Brisbane) mill and effectively reducing operating costs;
- Tennyson Development Application approved with the majority of funding sourced from insurance proceeds and the balance from debt;
- Development of a new three year strategic plan including implementation of initiatives to expand capability in value-add retail and foodservice products and focus on continued business diversification; and
- Effective raw material procurement strategies.

Outlook

Through Allied Mills' new three year strategic plan, we expect continued earnings growth from value-add product initiatives and ranges such as par baked products. Capacity expansion of Tennyson to replace Toowoomba will help reduce Allied Mills' network operating costs.

ALLIED MILLS



Includes 60% of Shareholders' Equity and Shareholder Loan.

ALLIED MILLS PROCURES OVER
800,000 TONNES
OF HIGH PROTEIN AND SOFT
MILLING WHEAT AND OTHER
GRAINS EACH YEAR

MALT

SUSTAINABILITY

Creating long term value while caring for our people, our communities and the environment

GrainCorp is committed to sustainable performance which means balancing financial performance with how we do business – how we treat our people, how we live the values in our business relationships and how we care for the natural resources on which we rely. In the last year, we have continued our commitment to sustainable performance. We have achieved a great deal and are clear on the challenges ahead.

AREA	TARGET	ACHIEVEMENT
Health & Safety	Reduction in Lost Time Injury Frequency Rate	Achieved a 20% reduction, 14.5 to 11.6
	Critical risks identified	Identified fatal risks Approved three year capital improvement plan
	Increased Health & Safety skills	Developed 18 online modules Began behavioural leadership training
Environment	Environment strategy developed	Developed strategy, the first step of which is to create baseline data for future reporting and measuring progress
	Improvements in water, carbon and waste management	A range of initiatives in train or completed
People, Diversity & Reconciliation	Increased engagement	Increased engagement score from 55% to 60%
	Improved gender diversity	Women in Management steady at 19% (targeting 25% in 2014)
	Reconciliation	Developed and implemented Reconciliation Action Plan
Community	More targeted community support	Spent \$451k on community projects, provided flood support, and contributed \$134,000 in sponsorship to Australian sporting teams

HEALTH & SAFETY

GrainCorp is committed to a step change improvement in Health & Safety by addressing the components of an effective safety culture – leadership, plant and equipment and systems. This year, we:

- Achieved a 20% reduction in lost time incident frequency rate, moving from 14.5 to 11.6.
- Increased investment in plant and equipment including rectification of fixed and mobile equipment and ladders, dust prevention and changes to prevent trips and falls.
- Enhanced systems through commitment to invest in a Health & Safety Quality incident and Reporting system (EHSQR) to replace the current manual process and provide improved analysis, reporting and corrective action capability.
- Improved safety behaviour and leadership through online and face to face training.

ENVIRONMENT

GrainCorp understands that our business has an impact on the environment. We recognise the importance of sound environmental management practices and sustainable business operations.

The Malt business is both energy and water intensive and is committed to reducing its carbon footprint through sustainability and efficiency projects. The Storage & Logistics businesses consume energy through grain storage and handling activities at upcountry sites, train and truck logistics and port facilities.

This year, we undertook a range of improvement initiatives and refreshed our environment strategy. The coming year will be about embedding it throughout our operations, with targets to measure performance consistently across the business.

Achievements and activities during the year include:

- Water usage improvements – installed a new waste water treatment plant at the Geelong plant in Australia and nearing completion of water treatment plants in Calgary, Canada, and Witham, UK.
- Carbon emission reduction – working with a third party to reduce carbon emission through the installation and operation of biogas co-generation units at the Schill Malz plants across Germany.
- Energy usage initiatives – improved energy consumption at various malting locations through such measures as improved heat recovery, installation of variable speed motor drives and fan replacement. We are also initiating a structured energy monitoring and targeting programme throughout the Malt business to provide better metrics and drive improvements in energy consumption.
- Waste reduction initiatives – trialling alternative methods for the disposal of polypropylene tarps and investigating options to divert waste grain from landfill.

Environmental Reporting

GrainCorp's Australian grain operations and Barrett Burston Malting report annually as per the Commonwealth National Greenhouse and Energy Reporting Act 2007 and the Energy Efficiency Opportunities Act 2006.

PEOPLE, DIVERSITY & RECOGNITION

GrainCorp's people strategy is to keep people safe, develop leaders and talent, improve engagement and enhance performance. Achievements and activities during the year include:

- Engagement – increased engagement from 55% to 60%.
- Building senior leadership – strengthened senior and front line leaders through development and coaching.
- Improving skills and learning – implemented Learning@GrainCorp to improve learning.

Enhancing Diversity

GrainCorp is committed to providing an inclusive culture and enhancing diversity. We have a target to increase Women in Management (WIM) to 25% by 2014. WIM has held steady at 19% this year.

Initiatives this year included developing women in operational roles and revamping the Certificate III in Warehouse Operations traineeship program which attracted six female and five Aboriginal and Torres Strait Islander trainees out of 36. The pay equity gap has been further closed in Australia, with women and men being paid similarly (0.98% difference). The same process is applied within our international business with no identified gender based pay inequities.

Supporting Reconciliation

This year we developed a Reconciliation Action Plan which was launched in March 2012. The plan identified initiatives to build relationships and create opportunities for Aboriginal and Torres Strait Islander people. We employ around 50 Aboriginal and Torres Strait Islanders, a number which increases significantly during harvest. We are creating opportunities for further employment.

COMMUNITY

GrainCorp's supports local communities through in-kind support in times of national disaster and contributions through the Community Fund and sponsorships. This year, we spent \$451k on community projects locally and internationally. We also refreshed the community strategy to improve social impact, create a better link with local communities and improve employee engagement.

As well as direct grants, GrainCorp provides sponsorship funds to regional sporting teams. This support has helped:

- 1,800 Victorian children participate at GrainCorp Junior Sports Carnivals;
- 1,100 netballers across rural NSW compete at GrainCorp State League Championships; and
- Over 800 junior and adult country rugby players play at GrainCorp Country Championships.

ACHIEVED A
20% REDUCTION
IN LOST TIME
INCIDENT
FREQUENCY RATE
MOVING FROM **14.5 TO 11.6**

INCREASED ENGAGEMENT
SCORE FROM 55% TO
60%

WE SPENT
\$451K
ON COMMUNITY PROJECTS
LOCALLY AND INTERNATIONALLY.

BOARD OF DIRECTORS



Don C Taylor BCom, CA, GradCertRurSc, FAICD
CHAIRMAN AND NON-EXECUTIVE DIRECTOR
Don Taylor has been Chairman of the Board of Directors since December 2005. Mr Taylor is a member of the Human Resources Committee and the Business Risk Committee as well as attending all meetings of the Board Audit Committee and the Nominations and Corporate Governance Committee. Mr Taylor joined the Board in October 2003. Mr Taylor was formerly Executive Chairman of Grainco Australia Limited, Director of Forest Enterprises Australia Limited and Chairman of Carrington Cotton Limited (formerly listed on Australian Securities Exchange).



Alison M Watkins BCom, FCA, FFin, FAICD
MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER ("CEO")
Alison Watkins is an experienced CEO and ASX 20 company Board Director, with extensive and international experience in the agriculture, food processing, consumer, retail, financial and professional services sectors. Ms Watkins attends all meetings of the Nominations and Corporate Governance Committee, Business Risk Committee, Board Audit Committee and Human Resources Committee meetings ex-officio. Ms Watkins joined the Board in July 2010. Ms Watkins has held a number of Executive roles, including CEO of Berri Limited, CEO of the Benelong Group, Managing Director of Regional Banking at ANZ, and is a former partner of McKinsey & Company. She was formerly a Non-executive Director of Just Group Limited and Woolworths Limited, and is currently a Non-executive Director of Australia and New Zealand Banking Group Limited and a Non-executive Director and Chairman of Allied Mills.



Barbara J Gibson BSc, MAICD, FTSE
NON-EXECUTIVE DIRECTOR
Barbara Gibson is a member of the Business Risk Committee and of the Nominations and Corporate Governance Committee, and joined the Board in March 2011. Ms Gibson is an experienced Executive having spent 20 years with Orica Limited, most recently as Orica's Group General Manager, Chemicals Group for 8 years. She is a fellow of the Australian Academy of Technological Sciences and Engineering and in 2003, Ms Gibson received the Centenary Medal for services to the Australian Society in Medical Technology. Ms Gibson is currently a Director of Nuplex Industries Limited, Warakirri Holdings Pty Limited and Warakirri Dairies Pty Limited and Chairman of Warakirri Asset Management Pty Limited. She was formerly a Director of St. Barbara Limited and Penrice Soda Holdings Limited.



Donald G McGauchie AO FAICD
NON-EXECUTIVE DIRECTOR
Donald McGauchie is Chairman of the Human Resources Committee. Mr McGauchie joined the Board in December 2009 and is currently a Director of James Hardie plc, Chairman of Nufarm Limited and Chairman of Australian Agricultural Company Limited. His previous roles with public companies include Chairman of Telstra Corporation Limited, Deputy Chairman of Ridley Corporation Limited, Director of National Foods Limited, Chairman of Woolstock, Chairman of the Victorian Rural Finance Corporation (a statutory corporation), and also President of the National Farmers Federation. In 2001, Mr McGauchie was named the Rabobank Agribusiness Leader of the Year, was awarded the Centenary Medal for services to Australian society through agriculture and business and in 2004 was appointed an Officer of the Order of Australia.



Peter J Housden BCom, FCPA, FAICD
NON-EXECUTIVE DIRECTOR
Peter Housden is Chairman of the Board Audit Committee. Mr Housden joined the Board in October 2008. Mr Housden is currently Chairman of Royal Wolf Holdings Limited and a Director of Alliance Aviation Services Limited and Calibre Group Limited. Mr Housden is a member of the Audit & Risk Committee for the Central Coast Local Health District in NSW. He has been a Director of iSoft Group Limited, Sino Gold Mining Ltd and Clean Seas Tuna Limited.



Daniel J Mangelsdorf BAgrEcon(Hons), FAICD
NON-EXECUTIVE DIRECTOR
Dan Mangelsdorf is Chairman of the Business Risk Committee, and a member of the Board Audit Committee. Mr Mangelsdorf operates grain growing interests in Central NSW and has wide ranging grains industry, supply chain and commodity risk expertise. Mr Mangelsdorf joined the Board in February 2005. Mr Mangelsdorf was formerly Chairman of Grain Growers Association Limited and a member of the Federal Government Industry Expert Group.



David B Trebeck BScAgr(Hons), MSc, FAICD
NON-EXECUTIVE DIRECTOR
David Trebeck is Chairman of the Nominations and Corporate Governance Committee and a member of the Human Resources Committee. Mr Trebeck joined the Board in February 2002. Mr Trebeck is currently Chairman of Penrice Soda Holdings Limited, a Director of PrimeAg Australia Ltd and an adviser to, and former director of, Maersk Australia Pty Ltd. He is also an ACT divisional councillor of the Australian Institute of Company Directors. Mr Trebeck was formerly a Commissioner of the National Water Commission, and formerly Principal, Managing Director and co-founder of economic consultancy ACIL Consulting Pty Ltd (now ACIL Tasman Pty Ltd).



Simon L Tregoning BCom
NON-EXECUTIVE DIRECTOR
Simon Tregoning is a member of the Board Audit Committee and member of the Nominations and Corporate Governance Committee. Mr Tregoning joined the Board in December 2008. Mr Tregoning is currently a Director of St Luke's Care and Director of Capilano Honey Limited. He was formerly a Director of Australian Co-operative Foods Limited (Dairy Farmers) and was formerly Vice-President of Kimberly-Clark Corporation.

EXECUTIVE MANAGEMENT

Alistair Bell
GROUP CHIEF FINANCIAL OFFICER ("CFO")
Alistair Bell was appointed CFO of GrainCorp in November 2010. Mr Bell brings 20 years of finance, strategic and operational planning, treasury, mergers & acquisitions, and private equity international experience from a number of sectors including hard commodities, property, hospitality and travel and telecommunications. He has been a Director of Alzheimer's Australia NSW since 2008.

Nigel Hart
GROUP GENERAL MANAGER STORAGE & LOGISTICS
Nigel Hart has been with GrainCorp for 14 years and was appointed Group General Manager Storage & Logistics in November 2010. He is responsible for GrainCorp's grain receival, storage and handling, ports, rail and road logistics, safety, customers and quality assurance. Nigel has extensive industry and company experience and has previously held roles with GrainCorp as Company Secretary and General Manager Ports.

Steve Haydon
PRESIDENT AND CEO GRAINCORP MALT
Steve Haydon joined GrainCorp in 2009 as part of the acquisition of United Malt Holdings. He is responsible for GrainCorp's Malt activities and brings to the role more than 30 years' experience in the malt processing sector. Before being appointed Malt President and CEO, he was President of Bairds Malt and has worked extensively in the United Kingdom and North America.

Heather Miles
GENERAL MANAGER CORPORATE SERVICES
Heather Miles was appointed General Manager Corporate Services in November 2010. She is responsible for human resources, company risk, insurance, legal, company secretarial and sustainability. She brings 20 years of forest products, banking, food manufacturing and senior human resources experience from McKinsey & Company, Carter Holt Harvey and Westpac. Ms Miles was appointed a Director of LUCRF in June 2012.

Klaus Pammlinger
GENERAL MANAGER MARKETING
Klaus Pammlinger was appointed General Manager Marketing in August 2012. He joined GrainCorp in 2007 and was previously Trading Manager GrainCorp Marketing. He is responsible for all domestic and international grain and oilseed marketing and trading activities. Before joining GrainCorp, he worked for a number of companies in Australia and the USA.

Neil Johns
CHIEF DEVELOPMENT OFFICER
Neil Johns has been with GrainCorp for 24 years and was appointed to his current position in 2000. He is responsible for corporate strategy, mergers and acquisitions, corporate affairs and investor relations. He has held a number of positions in the company that include Trading Manager, Deputy Divisional Manager and Marketing Manager. Mr Johns is a Non-executive Director of Allied Mills and Grain Trade Australia.

Sam Tainsh
GROUP GENERAL MANAGER GRAINCORP OILS
Sam Tainsh was appointed Group General Manager, GrainCorp Oils in August 2012. He joined GrainCorp in July 2001 and was previously General Manager Marketing. Before joining GrainCorp, he spent seven years as a commodity trader at Louis Dreyfus Corporation.

FINANCIALS

FINANCIAL SUMMARY

Business Drivers (million metric tonnes)	2008	2009	2010	2011	2012
Grain carry-in	1.2	2.2	2.9	2.6	6.0
Country network grain receivals	5.8	9.6	7.4	14.9	12.2
Grain received at port ex-farm and from other Bulk Handlers	0.7	1.1	1.0	2.3	3.0
Grain exports handled	1.0	5.2	3.5	8.1	10.6
Domestic outload	4.7	4.9	5.2	5.7	6.3
Grain carry-out	2.2	2.9	2.6	6.0	4.3
Grain throughput	9.0	16.9	13.9	24.1	28.5
Marketing sales (Including Pools)	3.1	3.6	3.3	5.5	6.9
GrainCorp international grain sales	0.6	1.5	1.1	2.7	4.4
Non-grain exports	2.1	1.3	1.4	1.5	1.8
Malt sales*	-	-	0.9	1.1	1.3

* 2010 reflects 10 ½ months trading only

Key Results (\$M)	2008	2009	2010	2011	2012
Revenue	1,534.2	1,725.5	2,002.9	2,776.8	3,329.4
Adjusted EBITDA ¹	51.3	160.2	211.5	349.6	413.9
Adjusted EBIT ²	11.1	117.9	140.0	271.1	322.7
Net profit / (loss) after tax	(19.9)	63.2	80.2	171.6	204.9
Dividend (cents per share) ⁷	-	7.3	30.0	55.0	65.0

Segment Results (\$M)	2011 Revenue	2011 Adjusted EBITDA ¹	2012 Revenue	2012 Adjusted EBITDA ¹
Storage & Logistics	742.8	194.7	804.6	249.7
Malt	867.8	98.7	945.1	117.1
Marketing	1,406.3	70.0	1,890.8	63.1
Allied Mills ⁴	-	8.2	-	9.7
Corporate, head office, eliminations and other	(240.1)	(22.0)	(311.1)	(25.7)
Total	2,776.8	349.6	3,329.4	413.9

⁴ Reflects 60% share of NPAT

Financial Position		2008	2009	2010	2011	2012
Total assets	\$M	1,098.3	1,083.8	2,130.2	2,635.2	2,834.3
Total equity	\$M	436.1	693.8	1,282.6	1,372.7	1,540.5
Net assets per ordinary share ³	\$	6.78	7.22	6.47	6.92	7.32
Net debt to net debt and equity ⁴	%	50.5	4.4	15.7	19.4	17.5
Core debt to core debt and equity ⁵	%	39.8	(8.2)	3.8	0.6	1.0

Shareholder Returns		2008	2009	2010	2011	2012
Basic earnings / (loss) per ordinary share	cents	(11.4)	34.1	39.6	86.2	102.6
Return on equity	%	(4.8)	11.2	6.6	13.0	14.4
Dividend per ordinary share ⁶	cents	-	7.3	30.0	55.0	65.0
Dividend yield per ordinary share ^{6,7}	%	-	0.8	4.1	7.6	7.3

¹ Adjusted EBITDA is earnings before interest, tax, depreciation and amortisation, excluding significant items.

² Adjusted EBIT is earnings before interest and tax, excluding significant items.

³ Excludes reset preference shares at nominal value.

⁴ Net debt is total debt less cash.

⁵ Core debt is net debt less Marketing inventory.

⁶ All dividends were fully franked.

⁷ Using closing price immediately prior to or on 30 September divided by dividends for year.

SHAREHOLDER INFORMATION

GRAINCORP SHAREHOLDERS' TIMETABLE*

Annual General Meeting – Sydney	20 December 2012
Financial half year end	31 March 2013
Financial half year results announced	16 May 2013
Financial year end	30 September 2013
Financial year end results announced	14 November 2013
Annual General Meeting – Sydney	19 December 2013

* Timings are subject to change

ANNUAL GENERAL MEETING 2012 – SYDNEY

2.00pm, 20 December 2012

Pullman Sydney Hyde Park Hotel
36 College Street
Sydney NSW 2010

COMPANY DETAILS

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SHARE REGISTRY

All enquiries and correspondence regarding shareholding should be directed to GrainCorp's share registrar.

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