



Company Announcement

GrainCorp Limited ABN 60 057 186 035

Date: 30 November 2012
To: The Manager - Announcements
Company Announcements Office
Australian Securities Exchange
20 Bridge Street, Sydney

Via On-Line Lodgement.

GRAINCORP LIMITED ("GNC")

News Release: Port flexibility improvements to improve grain export competitiveness

Please find attached a news release relating to the above for immediate release to the market.

Yours sincerely,

A handwritten signature in black ink, appearing to read "A. Horne", is positioned above the printed name of the signatory.

Andrew Horne
Company Secretary

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



30 November 2012

Port flexibility improvements to improve grain export competitiveness

GrainCorp has welcomed two developments that will substantially improve the flexibility and international competitiveness of the company's bulk grain port terminals.

The ACCC has announced this morning that it will not object to GrainCorp offering long-term agreements (LTAs) to exporters for access to its ports. LTAs will be offered under revised port terminal services protocols (Port Protocols) that come into effect next month.

In addition, federal parliament last night passed the *Wheat Export Marketing Amendment Bill 2012*, which provides for an industry code of conduct to replace the existing Port Access Undertaking arrangements from 2015.

GrainCorp Managing Director and Chief Executive Officer Alison Watkins said the developments were a significant step forward for all participants in the eastern Australian grain industry.

Together, these developments are central to delivering the port flexibility initiatives included in the target of \$110 million of additional underlying EBITDA that was announced at GrainCorp's FY12 result and strategy update on 15 November 2012.

"GrainCorp's revised Port Protocols will make the grain in our network more internationally competitive. They allow longer term planning by exporters and far more flexible port operations," Ms Watkins said.

"These changes have benefits across the industry. Our exporters can plan and respond more effectively to the challenges of the increasingly dynamic international grain market; growers get more competition for their grain, particularly from international markets; and the major customers of Australian grain in Asia and the Middle East will have greater certainty that they will have a reliable supply of high quality Australian grain," Ms Watkins said.

Currently, all port capacity can be made available only one year ahead. Under the new arrangements, 60% of port capacity will be made available for three-year LTAs – substantially expanding the grain accumulation and export planning horizon for exporters.

The revised Port Protocols also:

- Reduce the substantial supply chain costs caused by the 10-15% of vessels that fail survey, by minimising port block-outs and related transport cancellations;
- Provide GrainCorp and other exporters with port access certainty over a longer period, encouraging additional investment in rail capacity and improving rail utilisation, while also facilitating longer-term supply agreements with international customers;
- Improve operational flexibility during periods of supply chain disruption caused by force majeure events;
- Smooth port earnings variability for GrainCorp by locking in \$8/tonne "take or pay" commitments three years out.

"I would recognise the constructive approach taken by the ACCC and our exporter customers to the discussions of our revised Port Protocols. Their desire to deliver improvements in the best interests of the whole industry ensured a good outcome for all parties," Ms Watkins said.

GrainCorp's revised Port Protocols come into effect on 27 December 2012 and GrainCorp intends to invite long term capacity nominations for the following three shipping years in February 2013.

Ms Watkins said GrainCorp would also continue to be a constructive participant in industry discussions regarding the code of conduct, following the passage of the *Wheat Export Marketing Amendment Bill 2012*.

"It's clear from the discussions to date that exporters, growers and bulk handlers recognise the enormous and unique opportunity open to all of us. The industry is clearly taking a longer-term view and we have been encouraged by the discussions."

FOR FURTHER INFORMATION:

MEDIA:

Angus Trigg
Director, Government & Media Relations
+61 2 9325 9132
+61 413 946 708
atrigg@graincorp.com.au

INVESTORS:

David Akers
Investor Relations Manager
+61 2 9266 9217
+61 412 944 577
dakers@graincorp.com.au

ABOUT GRAINCORP

GrainCorp is Australia's leading agribusiness, with integrated "end-to-end" grain handling and processing infrastructure in Australia and overseas. By connecting local and global consumers to grain growers, GrainCorp plays an important role in the grain supply chain for the supply of wheat and flour, barley and malt and canola and edible oils. The company:

- Handles ~75% of eastern Australia's annual grain production through direct receivals at either our country sites or port terminals;
- Handles ~90% of eastern Australia's bulk grain exports;
- Markets ~35% of eastern Australia's grain to overseas consumers and 25% to domestic consumers, and has a growing international grain marketing platform with a presence in the UK, Europe, Canada and Asia;
- Produces ~35% of Australia's malt and is the world's 4th largest commercial maltster with international operations in Canada, the USA, the UK and Germany;
- Produces ~40% of Australia's crude canola oil and refined edible oils, and is a leading edible oil refiner in New Zealand;
- Imports and exports ~40% of Australasia's edible oil through 12 bulk liquid terminals;
- Produces ~35% of Australia's flour (through 60% interest in Allied Mills).