

NEWS RELEASE

GrainCorp Limited (ASX: GNC)



26 April 2013

Conditional agreement with Archer Daniels Midland Company ("ADM") that may lead to a takeover offer resulting in total value to shareholders of \$13.20 per share (inclusive of dividends totalling \$1.00)

GrainCorp Limited ("**GrainCorp**") advises that it has entered into a takeover bid implementation deed ("**Implementation Deed**") with ADM under which ADM, subject to the satisfactory completion of limited confirmatory due diligence, will make an off-market takeover offer to acquire all the outstanding shares in GrainCorp not already held by ADM ("**ADM Offer**").

If the ADM Offer proceeds, and is successfully completed, shareholders will receive \$13.20 per share, comprising a cash payment of \$12.20 per share under the ADM Offer and dividends totalling \$1.00 per share¹. The dividends are expected to be fully franked, providing up to an additional \$0.43 per share for those shareholders who can capture the full benefit from franking on the GrainCorp dividends. In the event regulatory approvals are not achieved by 1 October 2013 an additional fully franked dividend of 3.5 cents per share will be payable for each full month for the period between 1 October 2013 and the date the regulatory conditions have been satisfied or waived, subject to GrainCorp being profitable over that relevant period. Shareholders have also received a fully franked dividend of \$0.35 per share since ADM's initial approach was first announced on 22 October 2012.

If the ADM Offer proceeds, each GrainCorp Director has indicated that they would recommend the ADM Offer subject to:

- there being no superior proposal;
- an independent expert determining that the ADM Offer is fair and reasonable; and
- the regulatory conditions being satisfied or waived by 31 December 2013.

Implementation Deed

Under the Implementation Deed, GrainCorp has permitted ADM to undertake a limited scope of confirmatory due diligence from 25 April 2013 to 2 May 2013. Subject to satisfactory completion of this due diligence on or before 2 May 2013, ADM will make a takeover offer on the terms described below.

Under the Implementation Deed, if ADM satisfactorily completes its limited due diligence, and the ADM Offer becomes unconditional, shareholders will receive \$13.20 per share, comprising a cash payment of \$12.20 per share under the ADM Offer and dividends totalling \$1.00 per share.

The \$13.20 payable to shareholders would represent a premium to the trading price of GrainCorp's shares as indicated below:

¹ Relates to dividends declared or determined by the GrainCorp Board on or after the date of this announcement.

- 49% to the closing share price of \$8.85 on 18 October 2012, the last trading day prior to ADM's initial proposal;
- 48% to the 1 month volume weighted average price to 18 October 2012 of \$8.90; and
- 44% to the 3 month volume weighted average price to 18 October 2012 of \$9.14.

If the ADM Offer is successfully completed, the total payments GrainCorp shareholders will receive from the time of ADM's initial approach in October 2012 are \$13.55 per share (a 15% increase on ADM's initial proposal) plus up to an additional \$0.58 per share for those shareholders who can capture the full benefit from franking on the GrainCorp dividends.

Key conditions to the ADM Offer include:

- 50.1% minimum acceptance;
- Regulatory approvals, including approval of the Foreign Investment Review Board and The Ministry of Commerce of the Government of the People's Republic of China;
- No prescribed occurrences and various other standard restrictions for offers of this nature on the conduct of GrainCorp's business during the ADM Offer period; and
- No material adverse change in respect of GrainCorp during the ADM Offer period.

GrainCorp has agreed to certain exclusivity restrictions that prohibit it from soliciting, inviting or initiating any competing proposals and require GrainCorp to give ADM two days to match a superior proposal.

A complete copy of the Implementation Deed, which includes further details of the confirmatory due diligence process, will be lodged separately.

Chairman's comment

GrainCorp Chairman, Don Taylor, said:

"The GrainCorp Board believes that the ADM Offer highlights the strategic value of our business and unique assets, the program of strategic initiatives being undertaken and GrainCorp's enviable proximity to the fast growing Asian markets.

"GrainCorp will work with ADM to ensure that ADM's confirmatory due diligence requirements can be satisfied, following which a takeover offer would be made on the terms agreed.

"Assuming this is achieved, the GrainCorp Board of Directors intends to unanimously recommend the ADM Offer subject to there being no superior proposal, an independent expert determining that the ADM Offer is fair and reasonable and the relevant regulatory approvals being satisfied or waived by 31 December 2013."

GrainCorp will keep shareholders informed of any material developments and the GrainCorp Board notes that shareholders do not need to do anything at this stage.

Credit Suisse and Greenhill are acting as financial advisers and Gilbert+Tobin is acting as legal adviser.

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).

ABOUT ADM

For more than a century, the people of Archer Daniels Midland Company (NYSE: ADM) have transformed crops into products that serve vital needs. Today, 30,000 ADM employees around the globe convert oilseeds, corn, wheat and cocoa into products for food, animal feed, industrial and energy uses. With more than 265 processing plants, 460 crop procurement facilities, and the world's premier crop transportation network, ADM helps connect the harvest to the home in more than 140 countries. For more information about ADM and its products, visit www.adm.com. ADM currently owns 19.8% of GrainCorp's issued shares.