Recommended Takeover Offer

24 June 2013

GrainCorp

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Overview of ADM Offer

Offer structure	• A wholly owned subsidiary of Archer Daniels Midland Company (“ADM”) to make an off-market takeover offer for all the outstanding shares in GrainCorp it does not already own (“Offer”)

Cash payments	• Cash payments of $13.20 per share (“Cash Payments”) comprising
	  • $12.20 cash per share
	  • Permitted dividends totalling $1.00 per share[1]

Additional value	• Dividends expected to be fully franked[2] • Additional earnings dividend of 3.5 cents per share per month if the Regulatory Conditions are not fulfilled by 30 September 2013[3]
Premium	• Represents 49% premium to the closing price before the initial proposal[4] • Represents 15%[5] increase to initial proposal
Board recommendation	• The GrainCorp Directors unanimously recommend that shareholders accept the Offer, in the absence of a superior proposal[6]
Independent Expert	• The Independent Expert has concluded that the Offer is fair and reasonable, in the absence of a superior proposal • The Cash Payments of $13.20 per share, fall within the Independent Expert's valuation range of $12.74 – $13.97 per share
Exclusivity arrangements	• 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 • There is no break fee and no restriction from talking to third parties in response to an unsolicited approach

1. On 16 May 2013, the GrainCorp Board declared a fully franked interim dividend for FY13 of $0.25 per Share (including a special dividend of $0.05 per Share), with a record date of 5 July 2013 and a payment date of 19 July 2013. The interim dividend forms part of the $1.00 of permitted dividends, leaving $0.75 available for distribution.
2. Providing additional value up to $0.43 per share for those shareholders who can capture the full benefit from franking on the dividends.
3. For each full month between 30 September 2013 and the date the regulatory conditions of the Offer have been satisfied or waived, subject to GrainCorp being profitable over that relevant period, the GrainCorp Directors maintaining their recommendation of the Offer and the Offer becoming unconditional. Dividends are expected to be fully franked.
4. Based on GrainCorp’s closing price of $8.85 on 18 October 2012.
5. Including the FY12 final dividend.
6. Any GrainCorp Director may withdraw or change his or her recommendation if any of the Regulatory Conditions have not been satisfied or waived by 31 December 2013, the Independent Expert concludes in any written update to the Independent Expert’s Report that the Offer is either not fair or not reasonable or that director ceases to be of the view that the Offer is in the best interests of Shareholders.

Attractive Offer consideration

- The Cash Payments of $13.20 per share represent a significant premium to the pre-announcement trading price of GrainCorp shares
- Additional value for those shareholders who can capture the full benefit from franking on the GrainCorp dividends

Source: IRESS.
Note: VWAP represents the market volume weighted average price on ASX in the relevant period up to and including 18 October 2012 (being the last trading day prior to the announcement of ADM's initial takeover proposal on 22 October 2012).

Independent Expert conclusion

- Grant Samuel, the Independent Expert, has concluded that “the ADM Offer is fair and reasonable, in the absence of a superior proposal.”
- The Independent Expert has estimated the full underlying value of GrainCorp, including a control premium, to be in the range of $12.74 - $13.97 per share
    - The Cash Payments of $13.20 per share fall within the Independent Expert’s valuation range as shown in the following chart:

GrainCorp Directors’ unanimous recommendation

- GrainCorp’s Directors unanimously recommend that GrainCorp shareholders ACCEPT the Offer, in the absence of a superior proposal(1)
- Reasons
  - The cash payments of $13.20 per share represent a significant premium to GrainCorp’s trading prices prior to the announcement of ADM’s initial takeover proposal;
  - The Independent Expert, Grant Samuel, has concluded that the Offer is fair and reasonable, in the absence of a superior proposal;
  - The GrainCorp Directors believe that GrainCorp’s share price is likely to fall if the Offer is not successful and if no superior proposal emerges, at least in the near term;
  - No superior proposal has been received by the GrainCorp Board as at the date of GrainCorp’s Target’s Statement;
  - Shareholders are being offered the certainty of cash for their shares; and
  - Shareholders who can capture the full benefit from franking on the permitted dividends will receive additional value of up to $0.43 per share

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Conditions and Risks

GrainCorp

Conditions

- Regulatory approvals, including no objection by the Foreign Investment Review Board or the Australian Competition and Consumer Commission and the approval of certain foreign regulatory authorities[(1)]
- 50.1% minimum acceptance condition including the 19.85% of shares already owned by ADM
- No material adverse change in respect of the GrainCorp Group during the Offer period
- No prescribed occurrences, such as GrainCorp issuing shares, options or convertible notes
- No distributions, other than any permitted dividend or earnings dividend
- Refer to ADM's Bidder's Statement for full details of the conditions of the Offer

Risks

- There are risks associated with accepting the Offer, including those risks set out in section 2.3c of the Target's Statement
- There are risks in doing nothing and not accepting the Offer, including those risks set out in sections 2.3d and 4.11 of the Target's Statement

1. Certain foreign regulatory authorities (including in Canada, China, the European Union, Japan, South Africa and South Korea) will need to approve the acquisition of shares under the Offer, or any applicable waiting periods will need to expire. Further, while ADM has obtained United States antitrust approval, it may be necessary to reapply if there are any extensions to the Offer period.

Next steps

- Formal documentation
  - Bidder's Statement scheduled to be mailed to shareholders on 1 July 2013
  - Target's Statement scheduled to be mailed to shareholders on 2 July 2013
- ADM Offer expected to open on 1 July 2013
- ADM to progress regulatory approvals
- Offer closes (unless extended or withdrawn) on 31 August 2013

Questions