27 November 2013

The Manager
Company Announcements Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

GrainCorp Limited (ASX:GNC)

GrainCorp notes an announcement has been made today by Archer Daniels Midland Company (ADM) outlining additional commitments to invest in GrainCorp's grain storage and handling network.

A copy of ADM's statement is attached for information.

Yours sincerely,

ANDREW HORNE
Company Secretary

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ADM Announces Package of Enhanced Commitments for GrainCorp Acquisition

Pledges additional A$200 million investment in agricultural infrastructure

Addresses pricing, access, stocks information

DECATUR, Ill., Nov. 26, 2013 – Archer Daniels Midland Company (NYSE: ADM) today announced a package of additional commitments related to its proposed acquisition of GrainCorp Limited (ASX: GNC). Key elements of that package are:

- An additional A$200 million investment to strengthen Australian agricultural infrastructure, with specific emphasis on rail enhancement projects;
- Price caps on grain handling charges at silos and ports;
- Commitment to grain infrastructure access for growers and third parties;
- Commitment to "open access" regime for port services;
- A grower and community advisory board with representation from New South Wales, Victoria and Queensland, as well as regular public grower consultation; and
- Support for expanded grain stocks information arrangements.

"Throughout our effort to secure approvals for our proposed acquisition of GrainCorp, we have worked constructively to create value for grain growers and the Australian economy as well as shareholders of GrainCorp and ADM," said Ian Pinner, president, ADM Grain. "We have had substantive discussions with growers, policymakers and other stakeholders, and we've been committed to finding common ground and developing solutions that address issues and opportunities that have been raised.

"Taking into account the feedback we received, we are committing to a further package of investments and initiatives to help ensure that Australian agriculture is able to serve a key role in meeting growing global demand.

"These commitments are in addition to the existing capital expenditure and other commitments we have set out in our Bidder's Statement, which included a A$50 million enhancement to GrainCorp's planned capital expenditure over the next few years. The additional capital investment that ADM will bring to GrainCorp represents a 100 percent increase in GrainCorp's original A$250 million capital expenditure budget prior to ADM's proposal. Taken together, the capital investments ADM has committed to support or make for the GrainCorp business total A$500 million."

ADM is making commitments in the areas of:

Pricing and cost

- Increases in GrainCorp's overall grain handling and storage charges will be capped to inflation for a period of three years.
  - In the case of silo handling charges, this will be measured by CPI (consumer price index); and

    - In the case of port-based handling charges, this will be measured by AWOTE (average weekly ordinary time earnings).

Access and competition

- GrainCorp's port services will be operated in accordance with the current "open access" regime and the mandatory industry code of conduct when finished.
- Current access arrangements will be continued for GrainCorp's upcountry silos. This means:
    - Continuing to provide, to GrainCorp and third parties, access to GrainCorp's operational upcountry storage and transportation services;
    - Continuing to make available, to third party grain marketers, available storage capacity at GrainCorp's operational receival sites; and
    - Continuing to ensure that prices for grain for delivery at all GrainCorp receival sites, which are operational at the relevant time, remain available to growers.

Investment in grain handling and infrastructure

- A$50 million of new investment will be committed to strategic expenditure in the GrainCorp business in the next few years. This is over and above the A$250 million program of investment announced by GrainCorp in November 2012.
- Average annual expenditure on maintenance and improvement of GrainCorp's existing portfolio of assets of between A$40 million and A$60 million.
- An additional A$200 million of capital expenditure will be exclusively committed to GrainCorp's Storage and Logistics business, and its associated infrastructure, over the next three to five years. The priority of this capital expenditure will be transformative rail projects that improve supply chain efficiencies, specifically in areas like:
    - Upgrading the silo network to efficiently handle unit (40 wagon) trains to increase rail capacity and improve efficiency;
    - Work with rail providers to invest in new generation wagons to increase rail capacity and improve efficiency (increasing rail wagon payloads from the current net 55-60T per wagon);
    - Enhancing silo and grain receival site efficiencies and handling capability across the network to reduce turnaround time;
    - Working with governments to secure the future of branch lines by agreeing to co-invest in silo rail capability on these lines; and
    - Constructing new grain handling and storage locations in areas where investment is needed to improve the services to growers.
    - A proposal to Government on the establishment of a rail infrastructure fund with the following features:
        - The allocation of seed funding from ADM's announced infrastructure investment;
        - The provision for matching funding from the Commonwealth; and
        - The ability for other governments, businesses and individuals to invest in the fund.

Access to stocks information

- GrainCorp will commit to sign up to an industry-agreed protocol for reporting wheat stocks information held at an aggregate level of feed or milling grades by port zone.

- GrainCorp will play an industry leadership role in encouraging other participants to do likewise.

Management and engagement

- The headquarters of GrainCorp will remain in Sydney. Its CEO, who will have oversight of all of GrainCorp's operational decisions, will be based in Sydney and will be supported by GrainCorp's senior management team.
- A grain marketing team will be maintained in Australia to maximise the opportunities for Australian grains and growers, while leveraging the company's international marketing network.
- A Grower and Community Advisory Board will be established, which will include at least four growers (at least one each from NSW, Victoria and Queensland), at least one person with a strong connection to regional/rural community organisations, and senior GrainCorp management.
- A bi-annual consultation forum with Grower Organisations will also be established, the objective of which will be to:
    - Address the priority issues of concern to growers in relation to the activities of GrainCorp;
    - Discuss any industry-wide policy and reform proposals which are proposed by government to assist GrainCorp in formulating a position; and
    - Discuss GrainCorp's community initiatives and how they can better meet the needs of growers.

"In the competitive global grains market, it makes sense to operate the most efficient supply chain and maximize utilization of every location and asset," Pinner added. "These investments and commitments—developed following extensive input from Australian stakeholders—will help ensure the GrainCorp network remains an attractive option for growers and third-party grain traders, and also remains a competitive source for global grain buyers."

The commitments described above would be put into effect upon the closing of ADM's proposed acquisition of GrainCorp.

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.

Archer Daniels Midland Company

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