Company announcement

GrainCorp Limited ABN 60 057 186 035

Date: 26 July, 2012

To: The Manager
Announcements
Company Announcement Office
Australian Securities Exchange
On Line Lodgement

GRAINCORP LIMITED (GNC)

INVESTOR PRESENTATION

Andrew Horne
Company Secretary

26 July 2012
Ms Alison Watkins
(Managing Director and CEO)

GrainCorp

INVESTOR CONFERENCE
JP Morgan – "A Day at the Farm"

Today's presentation...

Our business model...

- Create and capture grain value by leveraging our integrated and international grain supply chain

Our strategic focus...

- 3 Corporate Objectives → improve shareholder returns, manage variability and grow as an international agribusiness
- Strategic Themes targeting $40M additional underlying EBITDA

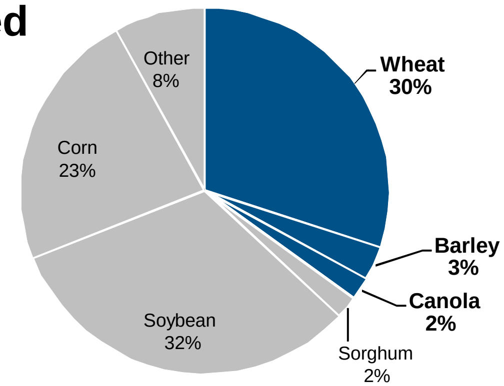
Global grain opportunities...

- Growth in global grain demand and grain trade
- Opportunities for GrainCorp

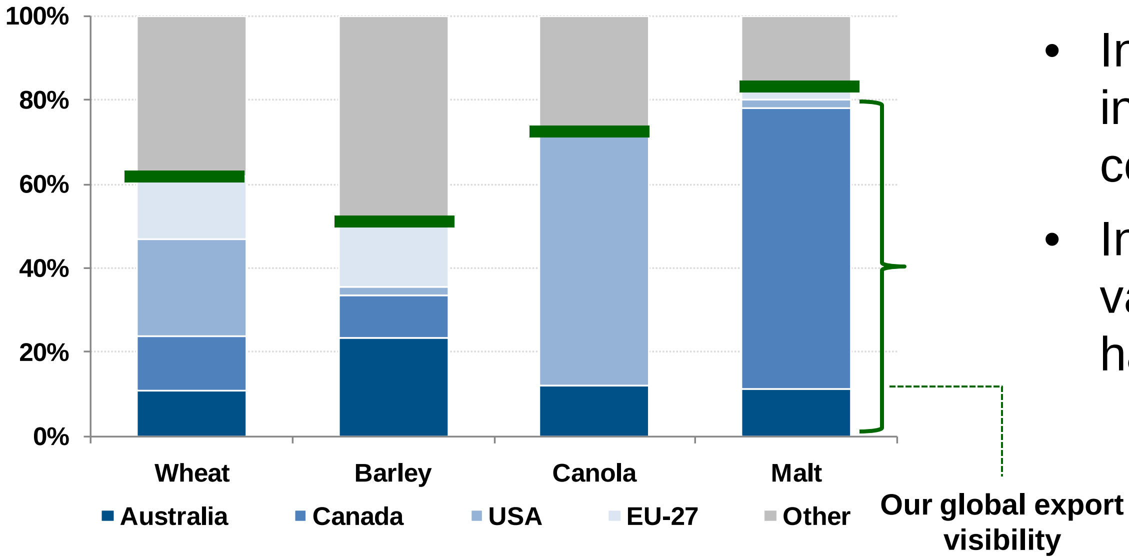
Three core grains – wheat, barley, canola

GrainCorp

Global traded grains[1]



Global export share by commodity and region



Our core grains

- Wheat, barley, canola → represent ~35% of global traded grains
- 'Drier climate' grains, where we have a comparative advantage

Building our competitive difference

- International presence → insight into 50%+ of the export trade of our core grains and malt
- Integrated model → complementary value and insight from storage, handling and processing activities

1. Excludes rice

Three integrated grain activities – ‘end to end’ grain supply chain presence

GrainCorp

- We create value through grain handling, ownership and processing
- We capture value through our asset intensive supply chain, grain processing insight, and local and international market insight

Marketing

Matches supply and demand

- Links the consumer to the grower
- Creates and captures value through procurement and risk management
- Drives grain through our assets

Storage & Logistics

Provides grain supply

- Competitive network and logistics capability to originate grain
- Adds value to grain through arbitrage opportunities

Processing

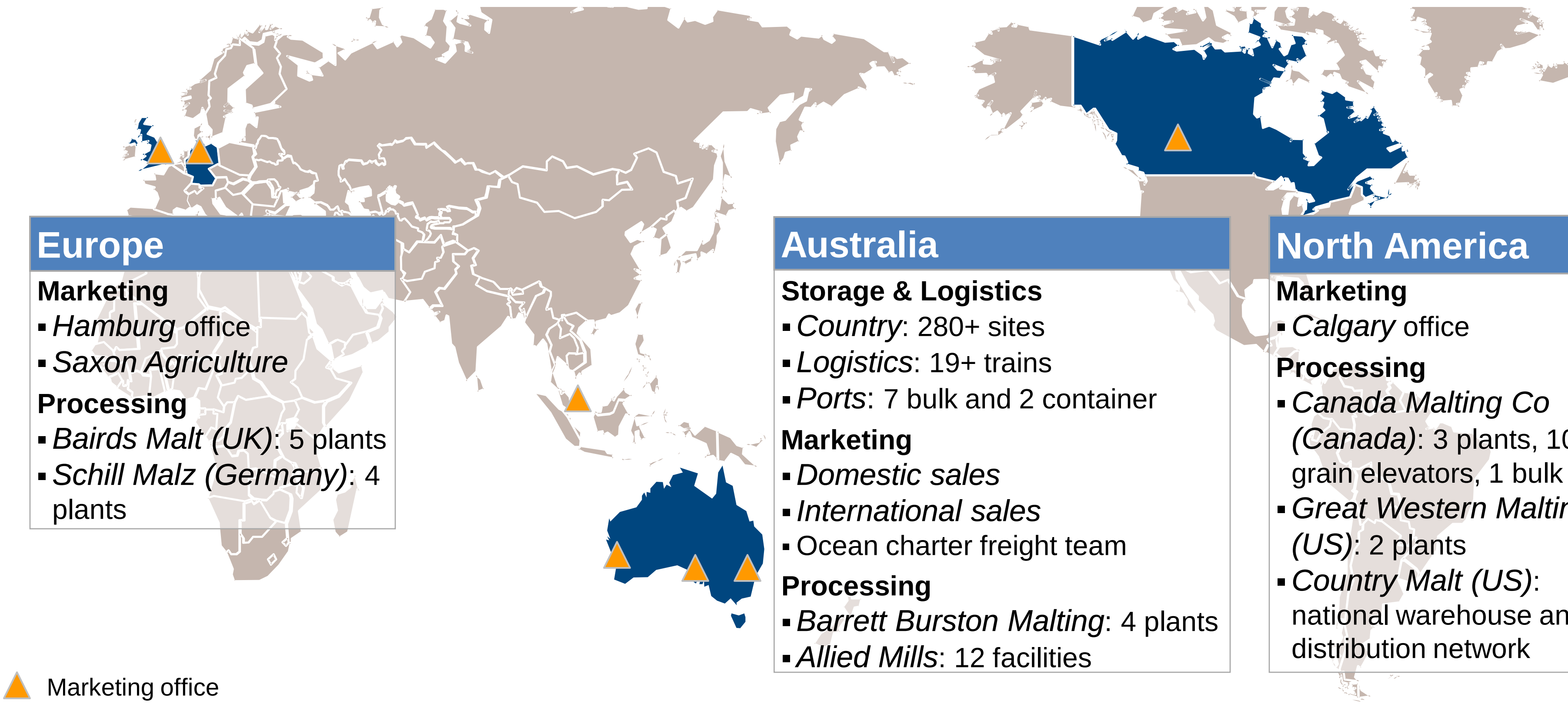
Provides grain demand

- Adds value to grain through processing and procurement
- Insight into grain characteristics and customer requirements

Three operating geographies – Australia, North America and Europe

- International insight, multi-origin capability and diversification in our core grains
- Close to supply fundamentals for our core grains and malt
- We have visibility across 50%+ global export trade of each of our core grains and malt

GrainCorp's assets and capabilities



Europe

Marketing
- *Hamburg* office
- *Saxon Agriculture*

Processing
- *Bairds Malt (UK)*: 5 plants
- *Schill Malz (Germany)*: 4 plants

Australia

Storage & Logistics
- *Country*: 280+ sites
- *Logistics*: 19+ trains
- *Ports*: 7 bulk and 2 container

Marketing
- *Domestic sales*
- *International sales*
- Ocean charter freight team

Processing
- *Barrett Burston Malting*: 4 plants
- *Allied Mills*: 12 facilities

North America

Marketing
- *Calgary* office

Processing
- *Canada Malting Co (Canada)*: 3 plants, 10 grain elevators, 1 bulk port
- *Great Western Malting (US)*: 2 plants
- *Country Malt (US)*: national warehouse and distribution network

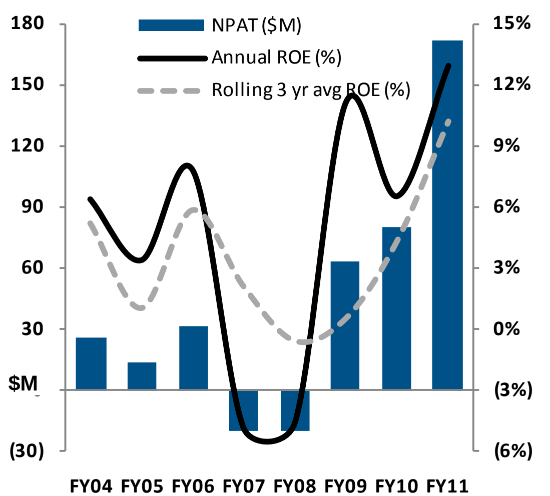
Three Corporate Objectives

GrainCorp

1 Improve Returns

- Improve through the cycle shareholder return
- Focus on value creation from our suite of grain chain assets

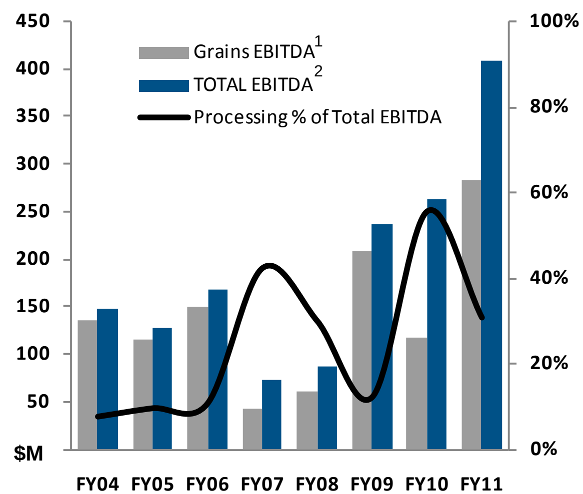
Improving ROE..



2 Manage Variability

- Manage through the cycle earnings
- Maintain strong cash flow and pay consistent dividends

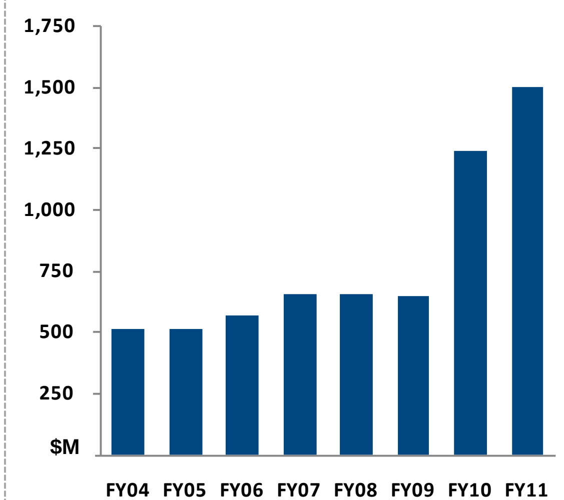
Business diversification…



3 Growth

- Grow business scale → organic and acquisitions
- Leverage capabilities
- Maintain strong balance sheet → low gearing

Market Capitalisation growth...



1. Country & Logistics, Ports and Marketing EBITDA
2. Includes 60% share of Allied Mills EBITDA, excludes Corporate Costs and Merchandising EBITDA

Four Strategic Themes to meet Corporate Objectives

GrainCorp

Corporate Objectives

1 Improve Returns

Increase underlying shareholder return

2 Manage Variability

Manage earnings through the cycle and pay consistent dividends

3 Growth

Scale through accretive organic and acquisitive growth

Strategic Themes

1. **Strengthen our grain handling network**
2. **Grow our grain Marketing business**
3. **Create and capture additional Malt value**
   - **Build on our leading flour position**[1]
4. **Better capture synergies from our network and integrated grain businesses**

Financial Targets

- ~$40M additional underlying EBITDA by end FY14
- $80-120M investment capex over 3 years end FY14
- Support ROE growth through the cycle
- Reduce earnings volatility

1. Allied Mills manages its own strategy. Allied's strategic outcomes excluded from GrainCorp 's $40M additional underlying EBITDA target

Strategic Themes supported by 11 "Gamechangers"

GrainCorp

1 Strengthen our grain handling network

1. Drive supply chain efficiency
2. Integrate customer offering
3. Enhance value proposition for growers
4. Grow complementary non-grain commodities

2 Grow our grain Marketing business

5. Enhance customer-focused growth
6. Broaden origination footprint

Build on our leading flour position

Maximise milling value and pursue downstream growth

3 Create and capture additional Malt value

7. Optimise operational performance
8. Develop global model and customer management
9. Extend value beyond processing

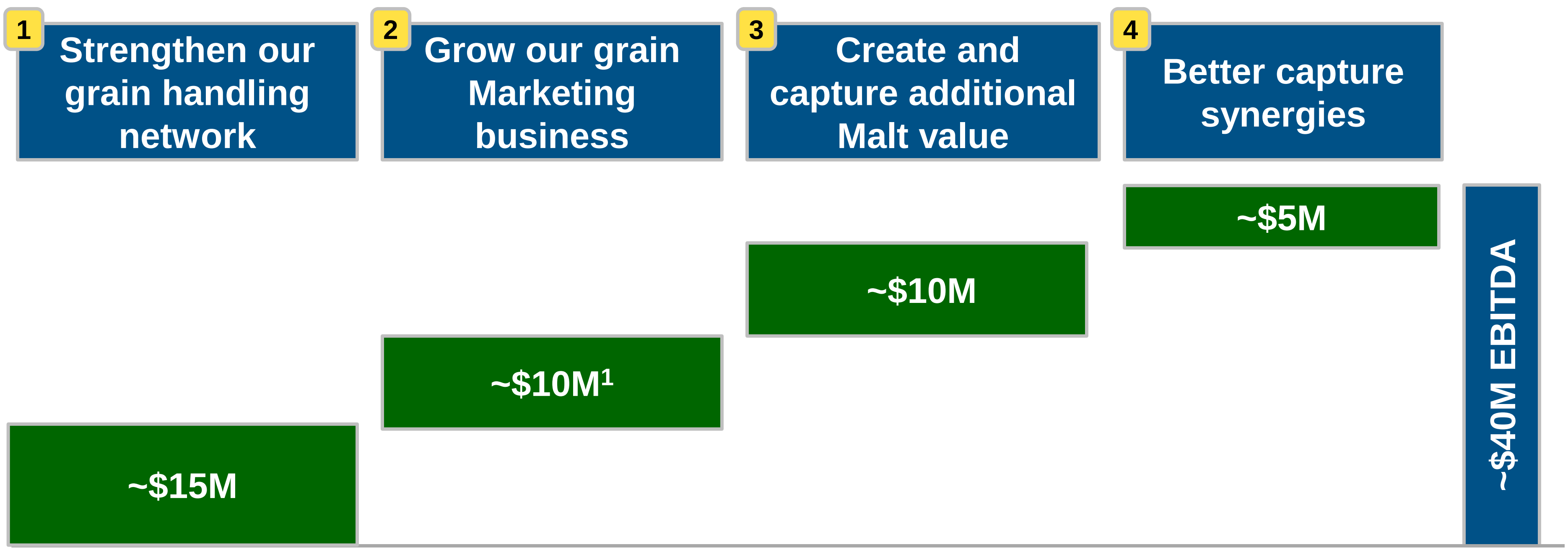
4 Better capture synergies from our network and integrated grain businesses

10. Integrate customer account and supply chain planning
11. Leverage our global grain and malt market insights

Strategy to capture ~$40M additional underlying EBITDA

- In excess of $40M additional underlying EBITDA from identified Gamechangers
- Supports the growth of ROE through the cycle

~$40M EBITDA delivered over 3 years ending FY14



1. Profit Before Tax (PBT)

Capital investment for ~$40M EBITDA growth

GrainCorp

- $80-120M capex to capture earnings growth → 3 years ending FY14
- Average ROCE of ~20% for investments → 2-3 years cash payback

Example capex projects to achieve ~$40M EBITDA

1 Strengthen our grain handling network

- Online support → smartphone app and Grain Transact upgrade
- Receival site upgrades → e.g weighbridges and sample stands
- Equipment upgrades for ~20 key receival sites

2 Grow our grain Marketing business

- Global trading and risk management system
- International capability → office and personnel

3 Create and capture additional Malt value

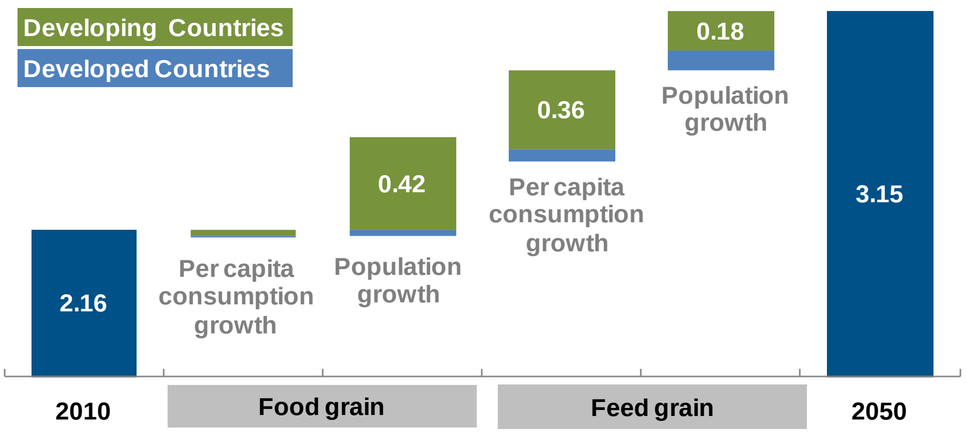
- Sustainability initiatives → e.g waste water and heat recycling
- Global platforms and systems → procurement and sales

4 Better capture synergies

- Customer and procurement planning

Global grain demand to increase by 50%

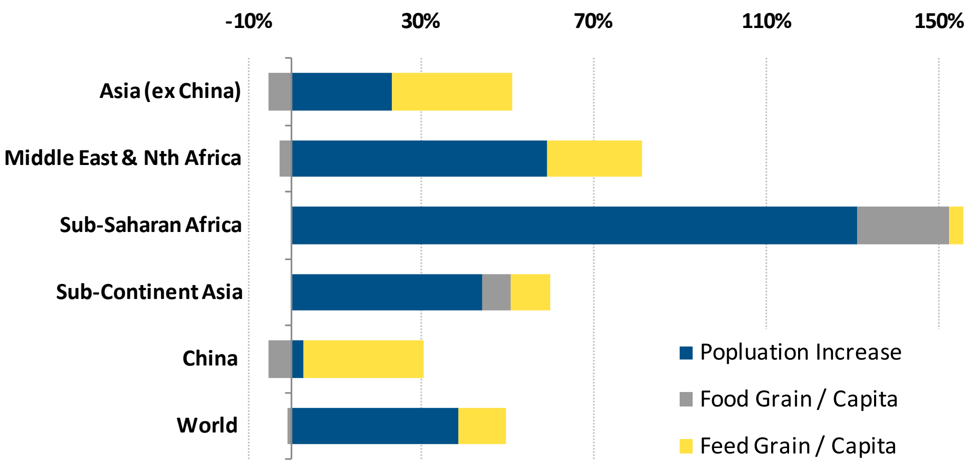
Grain consumption drivers to 2050 (bmt[1])



Global grain demand

- Forecast to grow by 1bmt or 50% by 2050 due to:
  - 35% rise in population to 9.7 bn
  - 13% rise in per capita consumption of grain for animal feed (meat / dairy)

Drivers of global grain demand growth to 2050



Global grain demand growth

- Driven by demand in import dependent regions, specifically:
  - Existing markets → Asia, Middle East and North Africa
  - New markets → Sub-Saharan Africa and Sub-Continent Asia

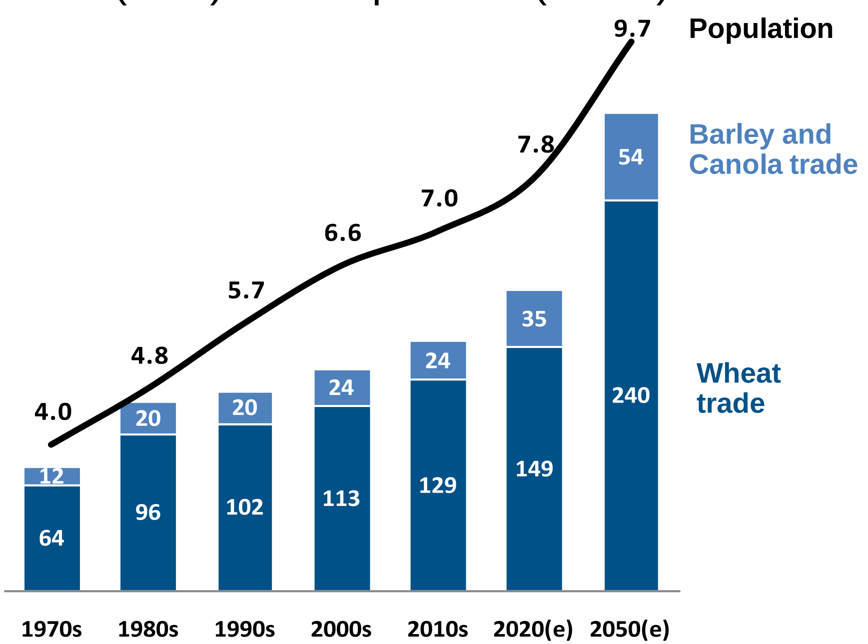
1. Billion metric tonnes

Source: GrainCorp estimates based on UN (Population Revision 2010) and FAO

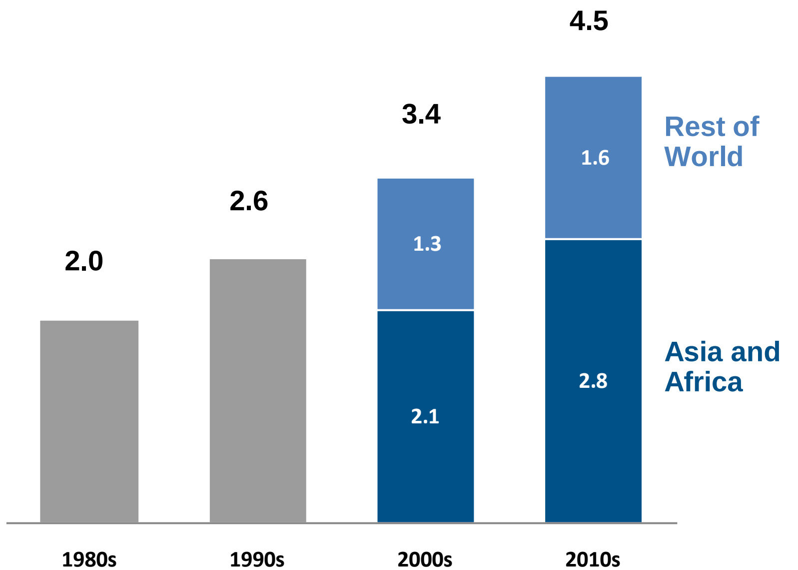
Global grain trade to increase by 100%

- Global wheat and malt export trade has doubled in the past 40 years
- Driven by demand in import dependent regions, global trade of our core grains forecast to rise ~155mmt to ~300mmt pa by 2050
- Forecast ~2% pa global malt demand growth → driven by beer demand growth regions (Asia and Africa) and niche sectors (whisky and craftbeer)

Global core grain trade and population
Trade (mmt) and Population (billion)



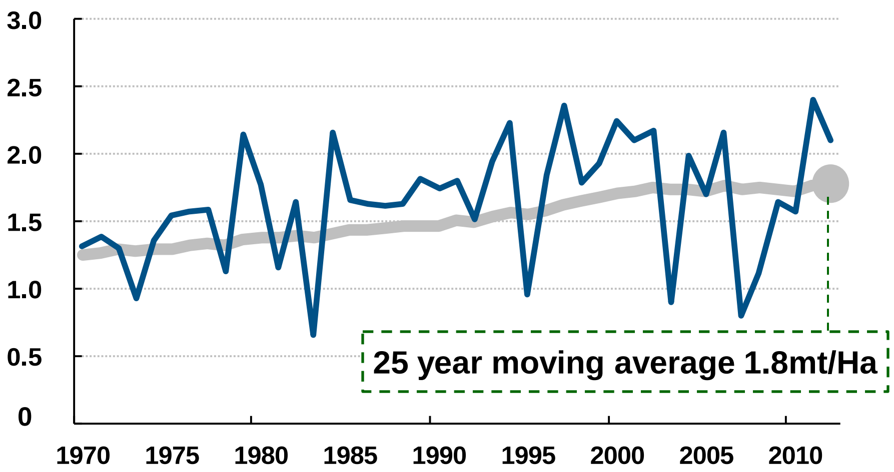
Past global malt trade
(mmt)



Source: USDA and IGC

Opportunities for GrainCorp...

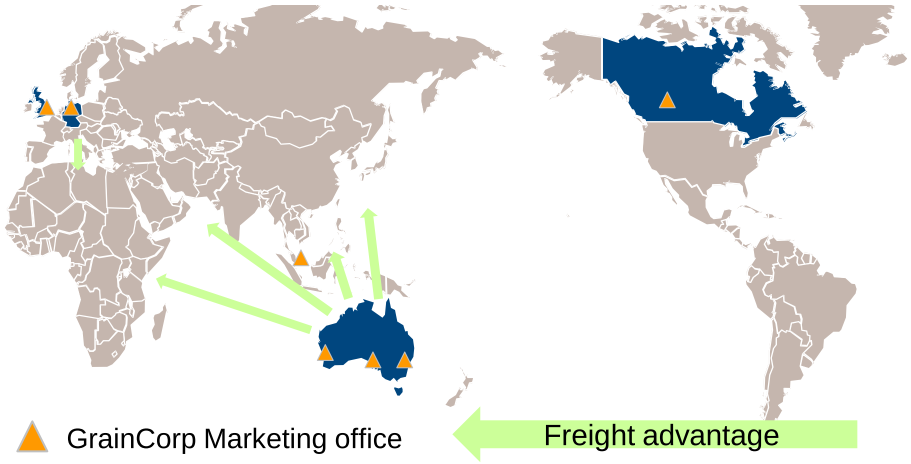
Eastern Australia Grain Yield[1] (mt/Ha)



Increased grain supply

- Grain handling → higher grain prices will support increased grain yields
- Grain exports → if supply growth in eastern Australia exceeds domestic demand
- Grain Marketing → growth in global grain trade

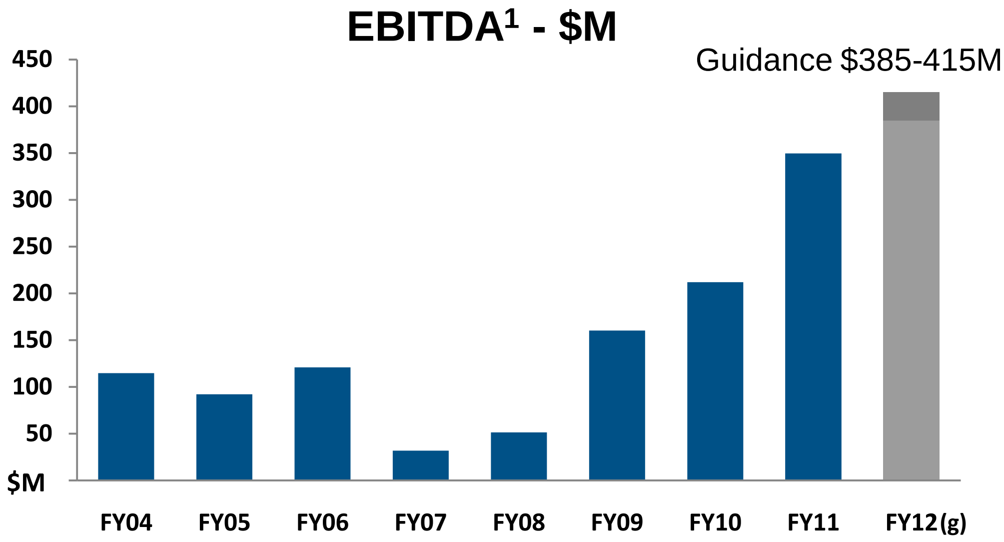
Freight advantages to grain growth markets

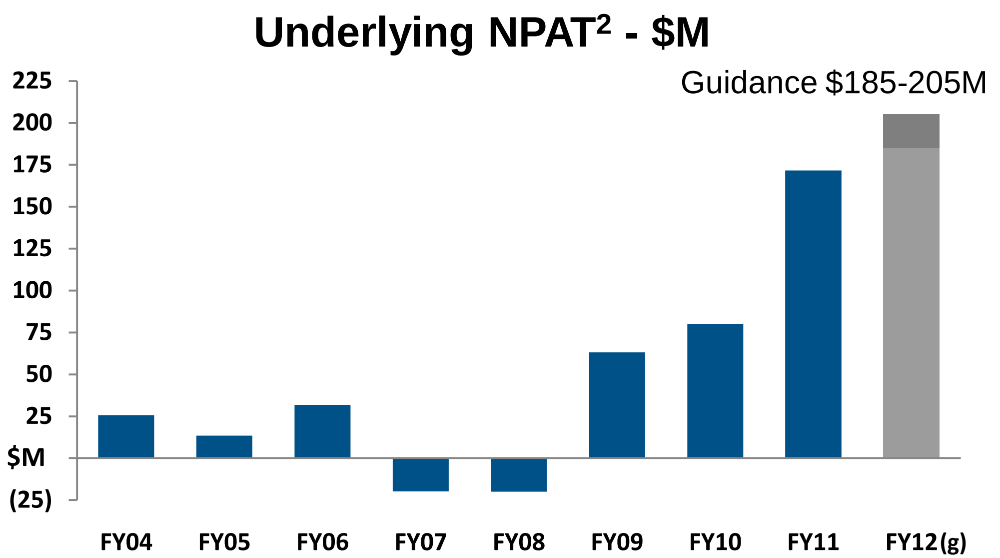


Demand growth in proximate regions

- Australia is freight advantaged to Middle East, Asia and eastern Africa
- Our presence in Europe and Canada complements our Australian freight advantage

FY12 guidance – earnings higher





- Volume guidance:
  - Country receivals ~12.0mmt
  - Grain exports ~10.0mmt
  - Carry-out ~4.5mmt
  - Malt sales ~1.35mmt
- Main variables:
  - Central QLD sorghum crop
  - Rail and road freight to port
  - Marketing margins and year end mark to market accounting
  - Malt foreign exchange impact

1. Excludes Marketing interest expense of ~$20M and includes 60% share of Allied Mills' NPAT
2. Excludes ~$17M Significant Items for Malt defined benefit plan adjustment (~$12M) and Allied Mills Toowoomba mill insurance proceeds (~$5M)

FY13 outlook – Grains and Malt update

Grains

- Forecast ~4.5mmt grain carry-in
- Additional rail capacity maintained and 0.6mmt export capacity added
- FY13 Shipping Stem open → ~9.0mmt booked
- Eastern Australian winter crop production forecast range 16.0-18.0mmt[1]

Malt

- USDA[2] world barley production forecast at 135mmt, 1% higher year on year
- Forward sold GrainCorp malt volumes of ~0.7mmt, ~50% of production capacity
- Softening beer demand and excess malting capacity to continue in mature markets
- Some rationalisation of excess global malt capacity expected

1. Wheat, barley, canola production in Queensland, NSW and Victoria. ABARES June 2012 Crop Report at 16.0mmt and Australian Crop Forecasters Jun-12 report at 18.0mmt
2. USDA Jun-12

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