



Company announcement

GrainCorp Limited ABN 60 057 186 035

Date: 7 February 2008
To: The Manager
Announcements
Company announcements office

Lodged via www.asxonline.com

PUBLIC ANNOUNCEMENT

Please find attached for immediate release the Managing Director's presentation to the Annual General Meeting.

A handwritten signature in black ink, appearing to read "N. Hart".

Nigel Hart
Company Secretary

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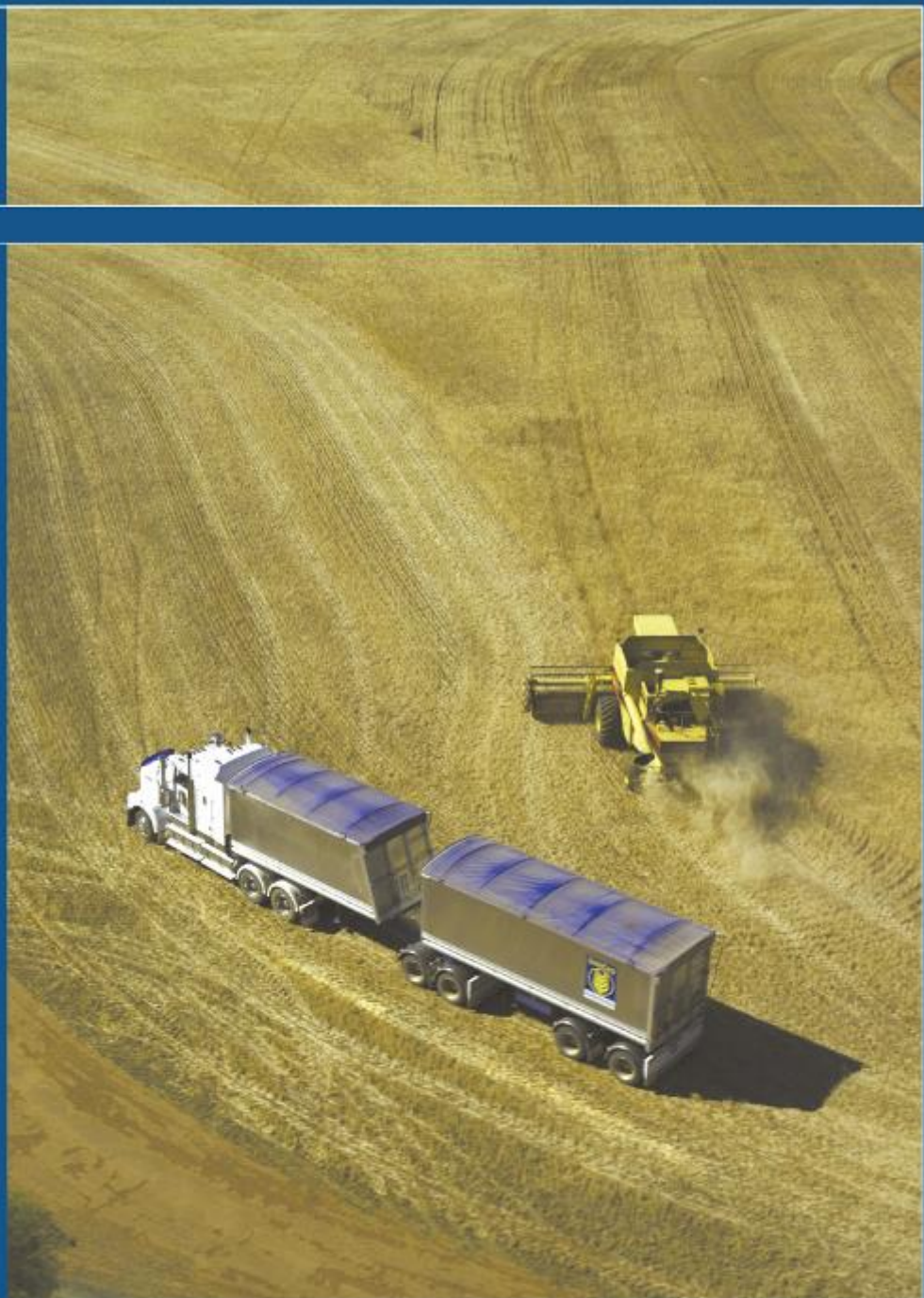
Always GrainCorp

ANNUAL GENERAL MEETING

27 FEBRUARY 2008



GrainCorp



Business Presentation



Tom Keene
Managing Director



2006/07 – the year in review



- **GrainCorp, like most agribusinesses, has been impacted by drought.**
 - Lower grain receivals in Storage & Handling; EBITDA of \$17.9m
- **Diversification strategy has benefited the business**
 - Allied Mills \$15.8 m contribution, exceeding ROI target.
 - Expansion of grain marketing; \$24.1m EBITDA
 - Non-grain port revenue increased by 18%
- **Cost reduction programs and variable costs have improved operating efficiency**
 - \$15 million reduction in indirect cost base over 3 years to 2007.
 - Storage & Handling breakeven point continues to be lowered
- **Strategic plan on track**

Strategic plan on track

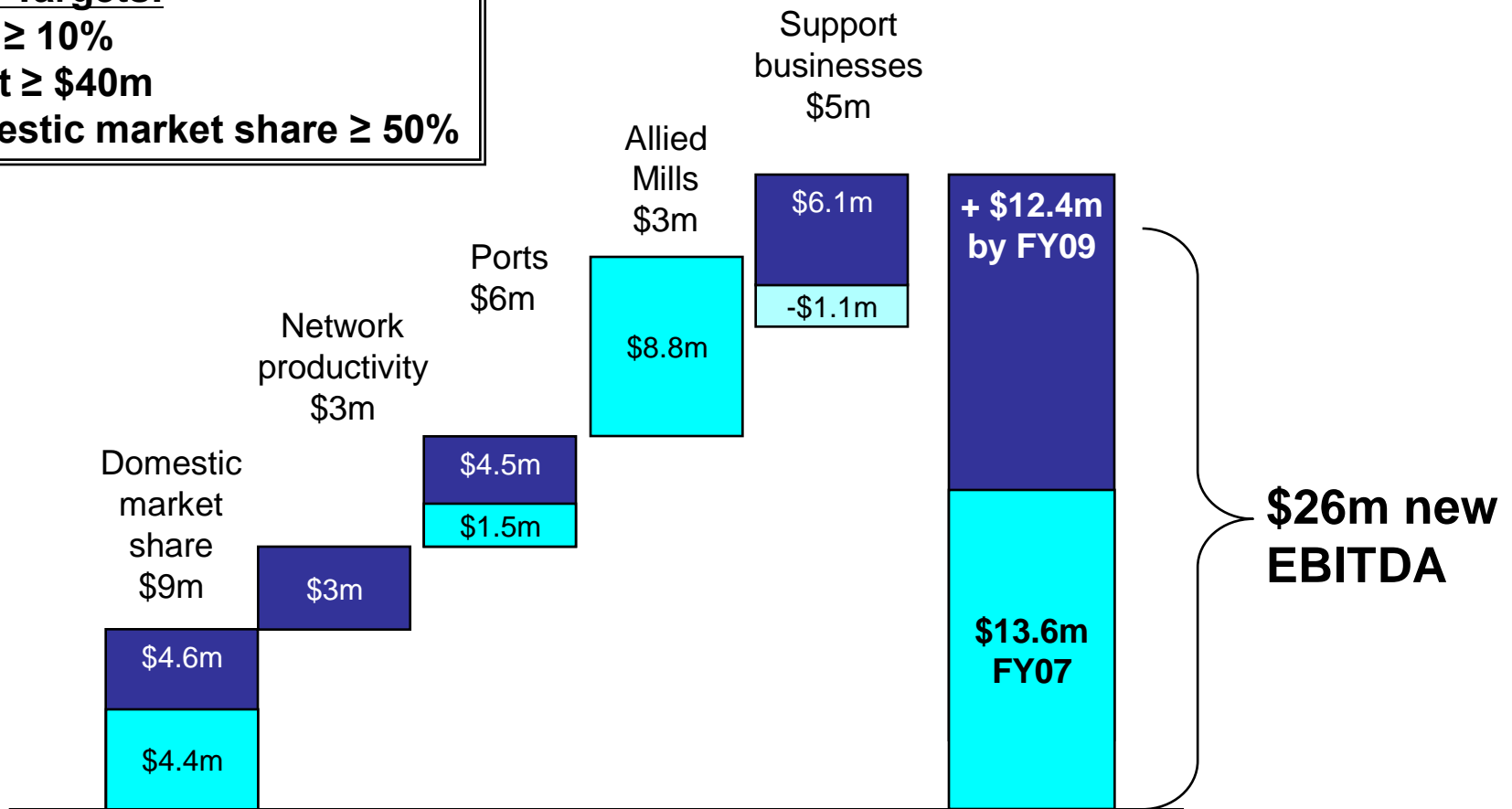


FY09 Targets:

ROE \geq 10%

Profit \geq \$40m

Domestic market share \geq 50%



Not to scale

Remaining target
Achieved FY07

Strong growth outlook for core business areas



■ Storage & Handling

- Widespread rainfall since December 2007 with expectations of a good summer and winter cropping season
- A number of non-grain port projects come on line in 2008
- GrainCorp expects to be involved in rail operations in NSW and Victoria.

■ Marketing

- Expect access to international bulk wheat markets from mid 2008
- Container trade growth for 2007/08
- Soft commodity boom (ethanol & world food demand)

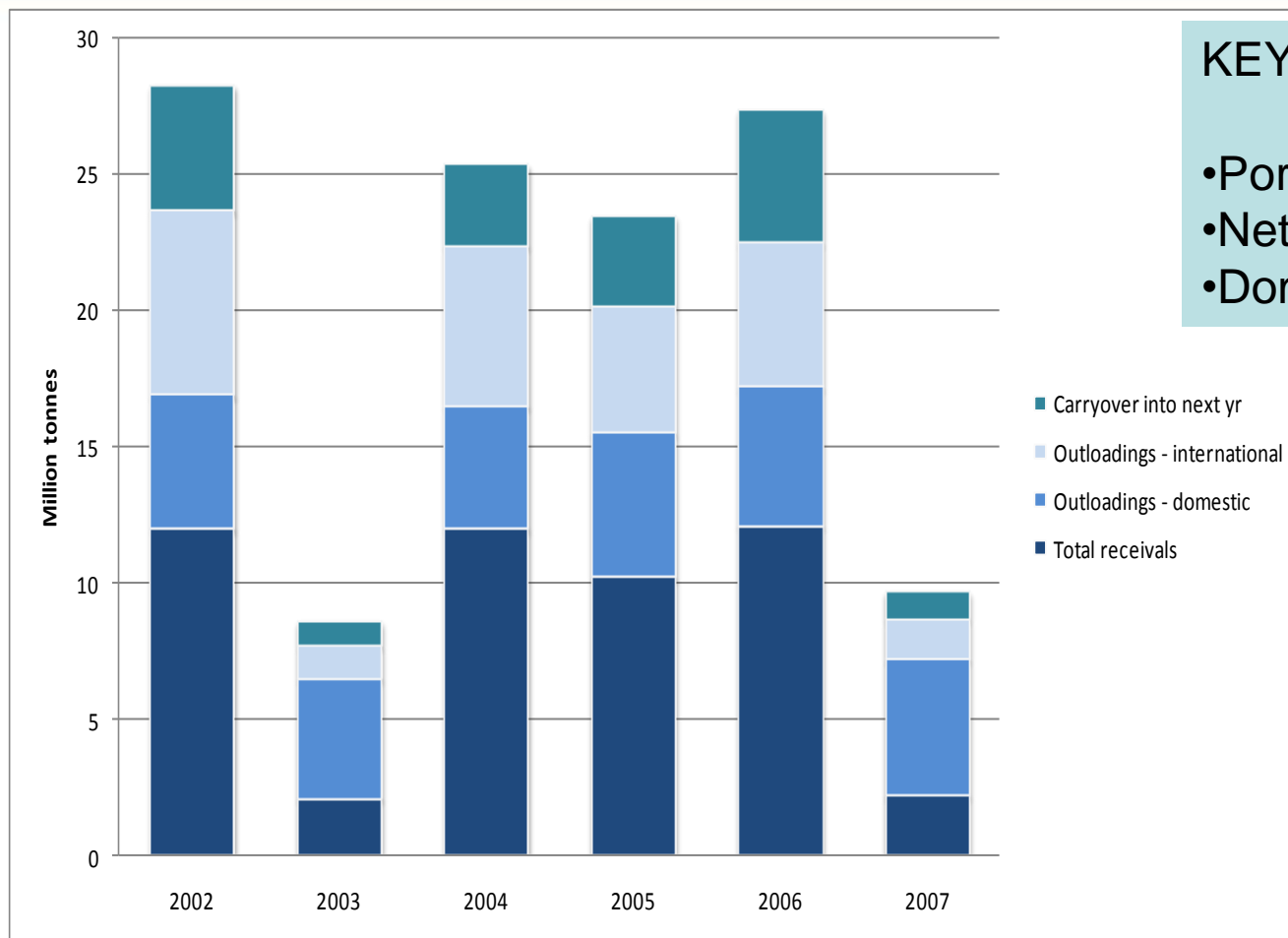
■ Allied Mills

- Lowest cost production when Picton Mill comes on line in 2008
- Direct supply of in-store bakery products
- Increasing value-add products

Storage & Handling – *leveraging the network*



The challenge is to manage the variable grain task and increase network utilisation.

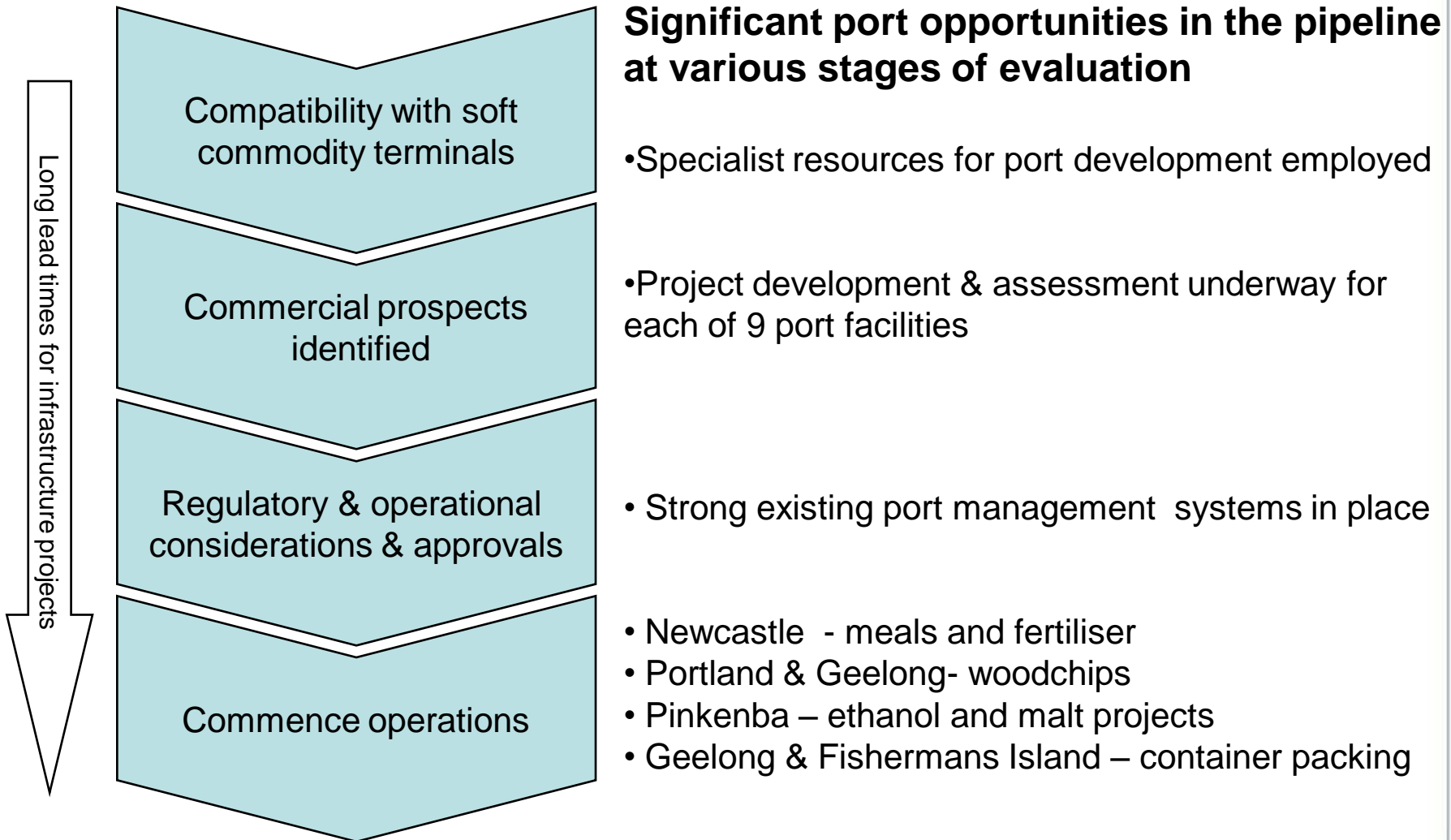


KEY STRATEGIES:

- Ports diversification
- Network productivity
- Domestic market

GNC EBITDA (\$ m)	2002	2003	2004	2005	2006	2007
	125.6	34.1	114.7	92.2	120.9	31.9

Increasing port utilisation – on track for 10-15% increase by 2009



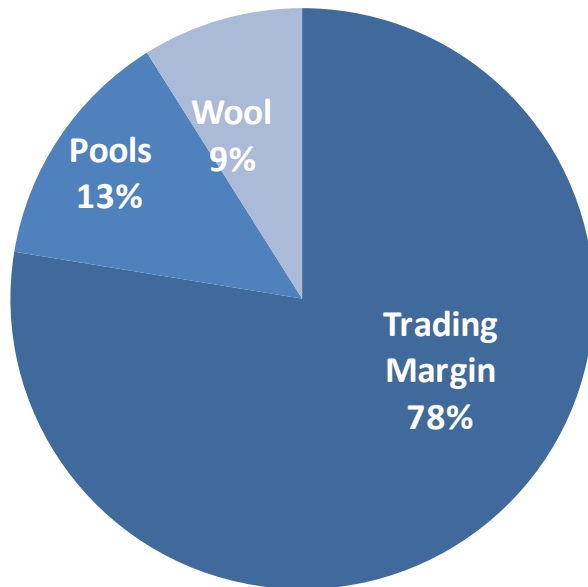
Grain Marketing— *domestic & international trading expansion*



Marketing EBITDA of \$24.1 m (up 6%)



FY07 EBITDA contribution



- **Strong EBITDA performance**
 - Growth in pools and pool finance products in non-traditional states (WA/SA)
 - Container export program 200,000 tonnes in 2007/08 (75,000 in FY07)
 - Improved margins in all grain desks
 - Despite 28% reduction in tonnes traded to 2.2 million
- **120% increase in non-grain trading revenue - wool exports.**
- **Changes in domestic market share with SA barley deregulation**
 - Secured 10% market share in year 1

BULK WHEAT EXPORT MARKETS



- **50,000 tonne bulk permit granted** (Feb 2008)
- **Federal Govt reform policy** from mid 2008
- **Global environment**
 - Optimistic price outlook
 - Soft commodity boom
 - Global grain stocks shortages
- **Australian wheat exports of up to 10-15 million**



Allied Mills – *diversification through value added products*

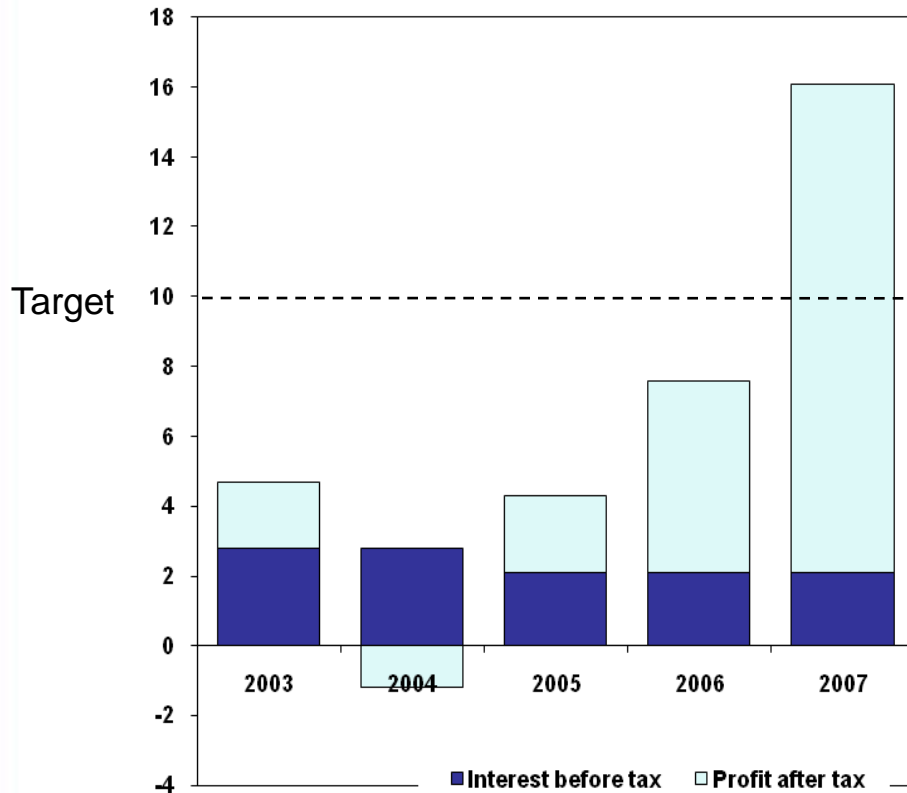


FY07 solid performance from Allied Mills



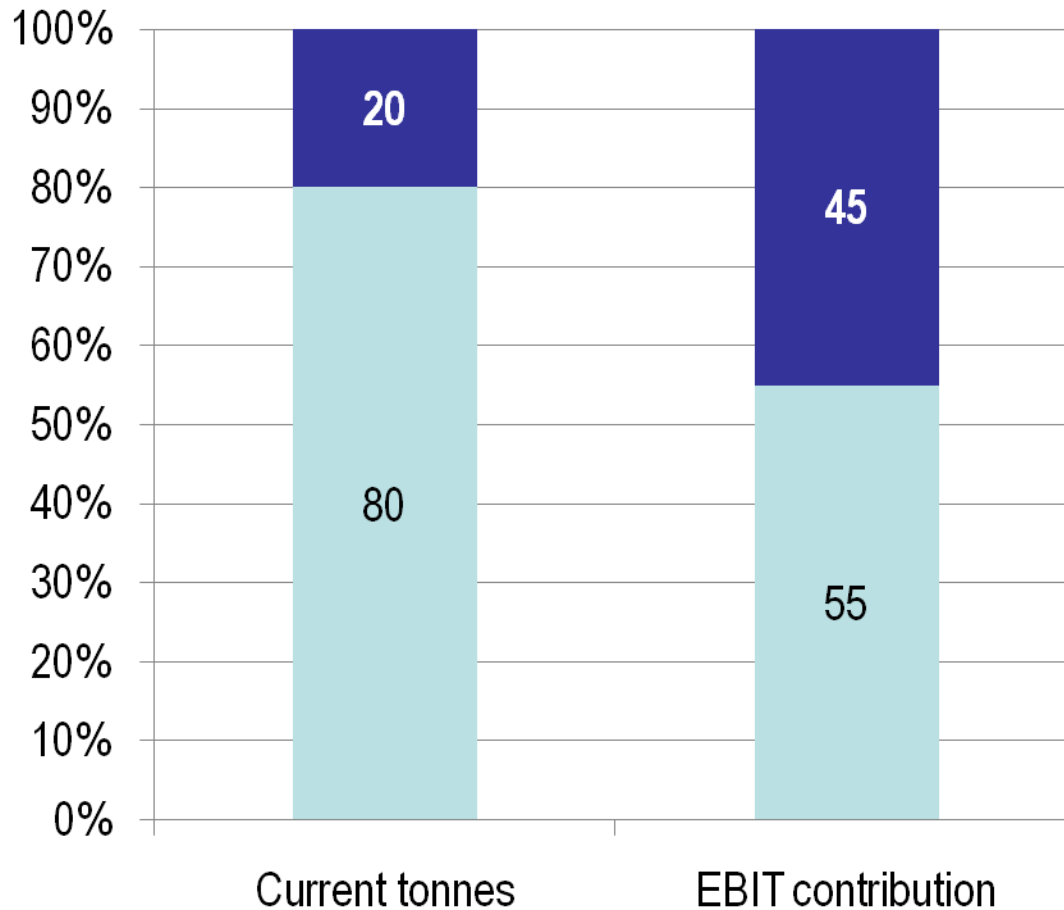
Strong contribution of \$15.8 m & 16% return on original GNC investment

Allied Mills contribution to GNC



- ✓ Strong performance in sales and service
- ✓ Robust cost management
- ✓ Completion of Summer Hill sale
- ✓ Well positioned for growth

Allied Mills is not just a flour miller...



Flour represents 80% of volume, 55% EBIT

- Mixes & value add products
- Flour

Outlook *for 2008 and beyond*



Outlook for 2007/08



■ Grain receivals

- Forecast of 4-5 million tonnes (winter & summer crop)
- Winter: 3.7 million tonnes
- Summer: 0.5 million tonnes to date

■ Low carry in stock

- 1.2 million tonnes carry into FY08 (4.9 million in FY07)

■ Forecast similar financial performance to FY07

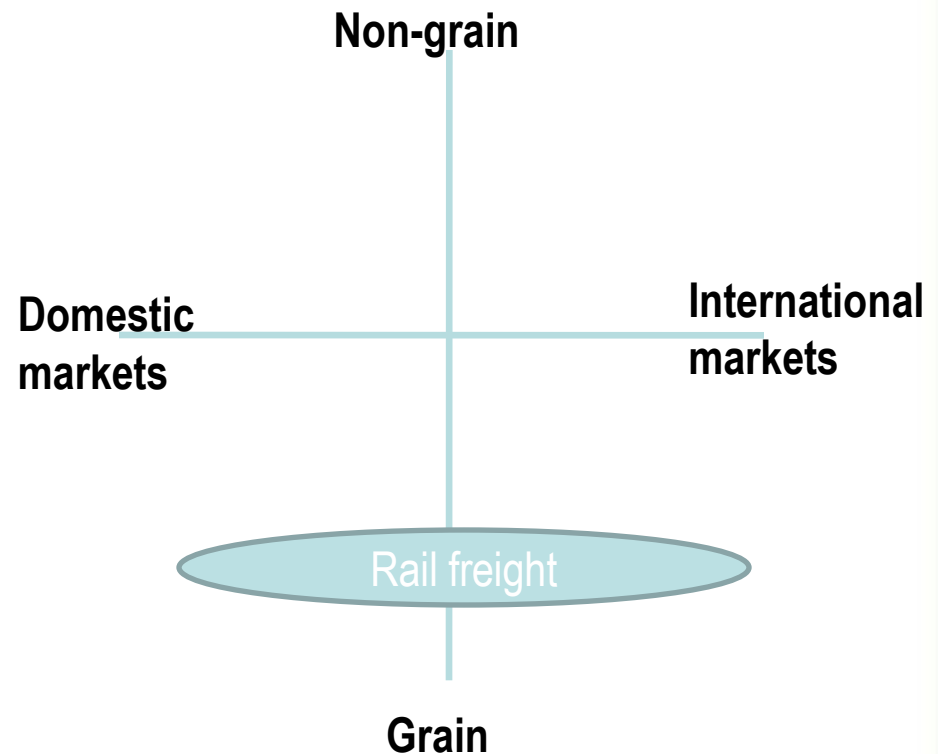
on lower total throughput tonnes

GrainCorp - ready for new opportunities



1. In 2008, there will be further growth of the business supported by capital raising in December 2007

- Rail freight operations will strengthen the grain supply chain and support domestic and export growth



GrainCorp - ready for new opportunities

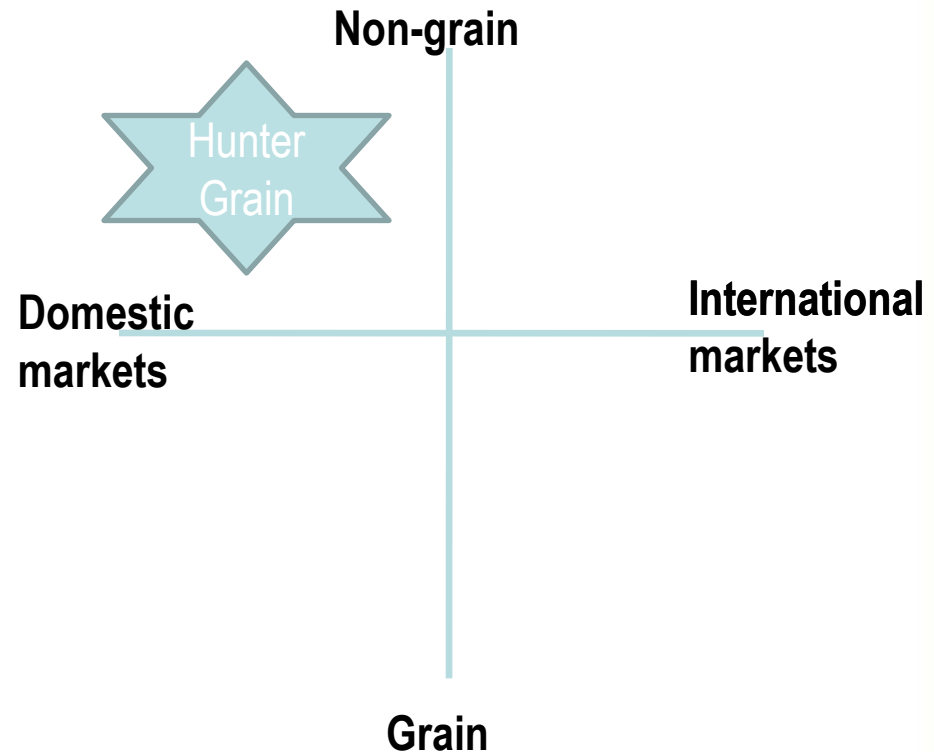


2. In 2008, GNC's product offering will expand through Hunter Grain to non-grain domestic market.

HUNTER GRAIN

- Number 1 soybean meal trader in Australia
- Importer of meals and other products
- Strong position in poultry
- Excellent sourcing capabilities out of South America and SE Asia.

2007/08 earnings in line with budget to date



GrainCorp - ready for new opportunities



3. In 2008, GrainCorp will participate in bulk wheat markets

GNC has the credentials and ability to leverage existing skills, systems and experience to expand grain marketing

✓ Customers	Solid customer base, who are seeking to buy wheat from GNC
✓ Market	Currently trade all types of grain in all major international markets
✓ Supply chain	Extensive up country storage network and export loading facilities on the east coast.
✓ Systems	Back office grower payment and grain management system in place
✓ People	Trading team in place for 10 years with extensive commodity domestic and international trading experience
✓ Product range	Full suite of products and new products in development for new environment
✓ Financial capability	Strong funding capability

GrainCorp - ready for new opportunities



- 1. In 2008, there will be further growth of the business**
- 2. In 2008, GrainCorp's product offering will expand through Hunter Grain**
- 3. In 2008, GrainCorp will participate in bulk wheat markets**

QUESTIONS



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