



GrainCorp Limited and AWB Limited
Proposed Merger:
Creates Australia's leading, diversified agribusiness

30 July 2010



Agenda

Introduction and rationale

Key merger terms

Combined company overview

Summary



Merger to create Australia's leading, diversified agribusiness

Creates the largest diversified rural services business in Australia, with industry-leading positions in grain storage and handling, rural merchandising, malting, flour milling, grain export and marketing

Stronger competitive position to compete domestically and internationally with international grain companies operating in Australia

Product and geographic diversification resulting from the complementary businesses should deliver an enhanced, more stable earnings profile

Both companies come together with a common background and aligned cultures and values

Owner of market-leading brands across the combined portfolio



Features of the merger

Merger will create an ASX 100 company with a combined market capitalisation of approx \$2 billion with combined revenues in excess of \$7 billion

Merger benefits in excess of \$[40] million (annualised) expected to be realised over first two years

Transaction expected to be strongly EPS accretive in year two

Offers growers a more complete platform in Australian and overseas markets with multi-geography and multi-commodity capability

Growers to benefit from operational efficiencies generated from combined storage and handling and logistics network in eastern Australia

Additional franking credits available to attach to future dividends



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Merger Implementation Deed (MID) executed

Recommended by both boards

Scrip for scrip merger terms

AWB shareholders will exchange their existing shares in AWB for new shares in GrainCorp

5.75 AWB shares for 1 new GrainCorp share

Exchange ratio determined on the basis of 6 month VWAP

GrainCorp and AWB shareholders to own 58% and 42% respectively of the combined company

Expected to receive CGT scrip for scrip rollover relief for Australian shareholders

Intention, in absence of unforeseen circumstances, for GrainCorp to pay a fully franked final dividend of approx \$0.10 per share and a \$0.05 per share special fully franked dividend to all shareholder of combined company

AWB scheme of arrangement

Independent expert's report to be included in scheme documents sent to shareholders



Board and management

Merged company will be GrainCorp

Corporate office to be located in Sydney

Businesses to be located across Sydney and Melbourne as best suited

Initial combination of both Boards

11 directors

6 directors from GrainCorp, 4 from AWB, plus Managing Director

Combination of GrainCorp and AWB representatives appointed to key roles

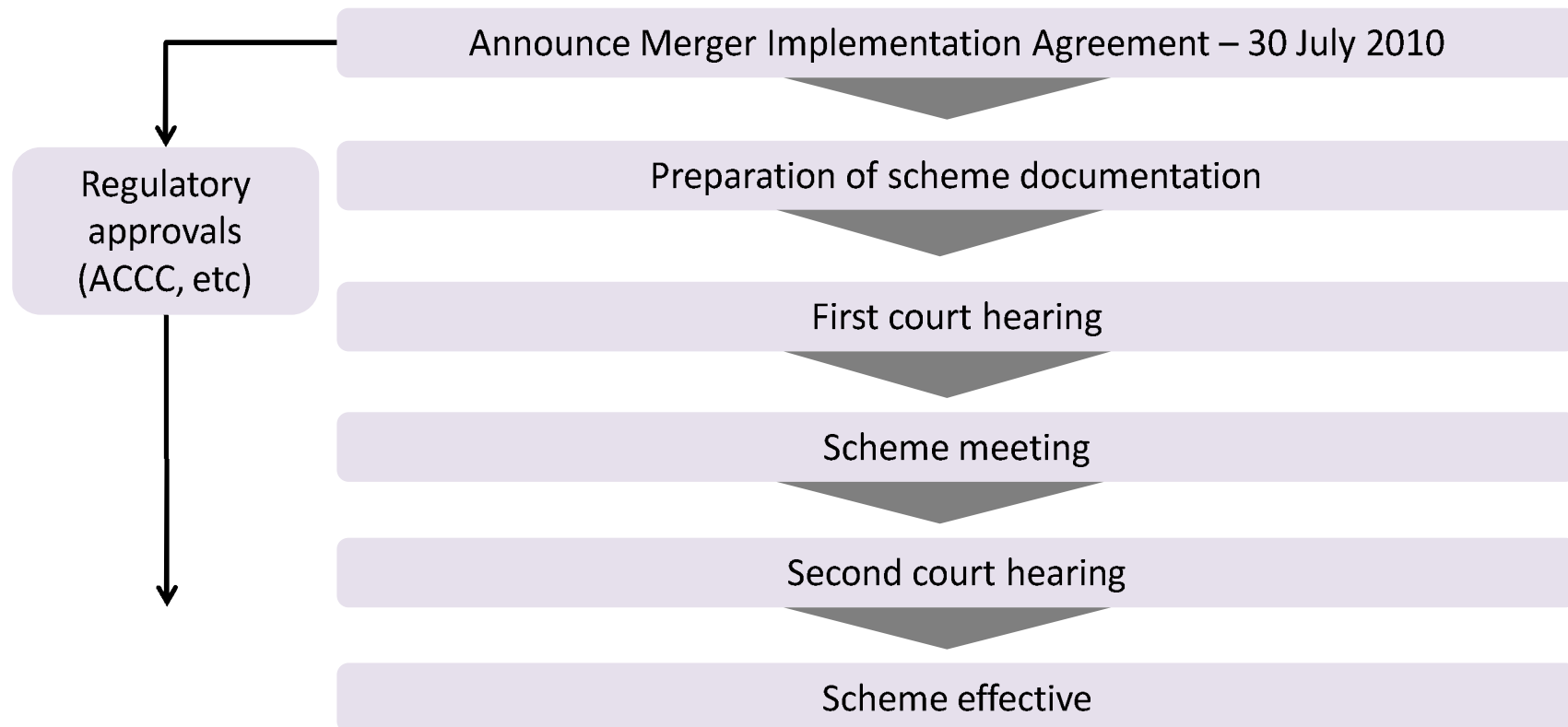
Peter Polson to be Chairman

Don Taylor to be Deputy Chairman

Alison Watkins to be Managing Director and CEO

Philip Gentry to be CFO

Timeline





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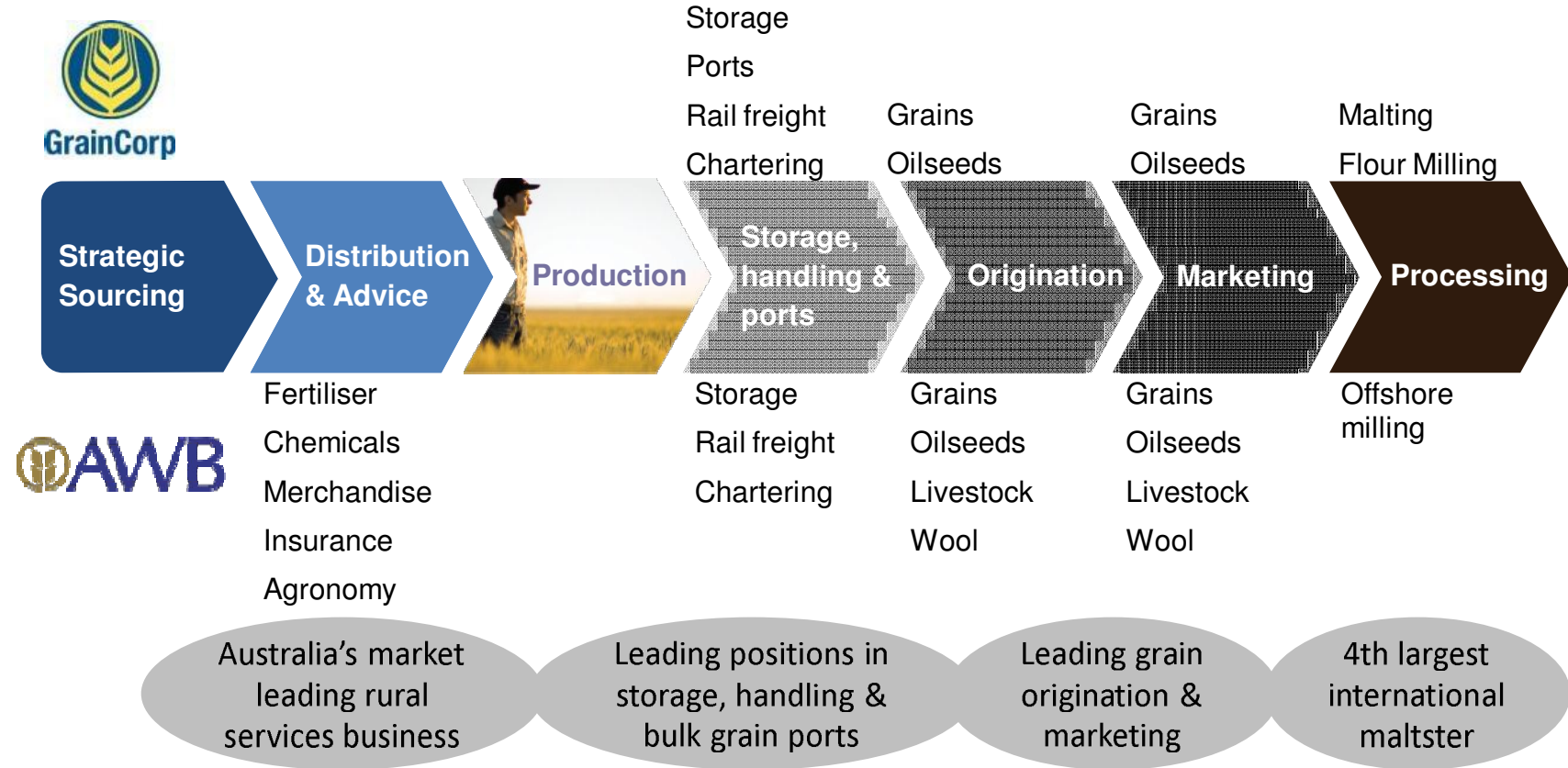
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Complementary businesses across the value chain



Australia's market leading rural services business

Leading positions in storage, handling & bulk grain ports

Leading grain origination & marketing

4th largest international maltster



Merged entity will be well positioned in Australian grains

Storage, handling and ports

300 silos across Qld, Vic NSW and SA

> 10 mmt of grain handled in eastern Australia in an average season

> 3 mmt rail capacity contracted from rail operators

Operate 7 bulk grain elevators in Qld, Vic and NSW and 2 other-product bulk ports. 50% interest in Melbourne Port Terminal

Grain accumulation and marketing








Exports up to 5 mmt of Australian grains per annum

Well diversified non-wheat grains portfolio

Largest grain pools operator in Australia



Landmark – Australia’s market leading rural services business

MERCHANDISE  \$1B Revenue	FERTILISER  1.0M Tonnes \$600M Revenue	LIVESTOCK  1.8M Cattle \$1.1B Turnover 10M Sheep \$700M Turnover Clearing Sales \$30M	WOOL  400,000 Bales \$350M Turnover	REAL ESTATE  \$1.03B Turnover	INSURANCE  \$163M Premiums	FINANCIAL SERVICES PARTNERSHIP  ANZ
RD1: 50% JV with Fonterra NZ		LGE: 51% owned	AWH: 50% JV with Elders			

~ 1,800 employees

>350 'touch-points' with Clients (+ 55 RD1 Stores in NZ)

202 Corporate Stores

88 Franchise & 4 JVs

56 Wholesale Members





GrainCorp Malt – significant international maltster with strong customer relationships

Supplying the majority of the leading international brewers and scotch whiskey distillers

Strong, long term relationships, underpinned by long term supply agreements

Strong, well established brands in Australia, Canada, United States and the United Kingdom

Reputation for producing high quality malt to meets customers' critical specifications

New production capacity at Arbroath (Scotland) and Pinkenba (Brisbane)

Achieving financial targets set at time of acquisition



Merger benefits in excess of \$40m

Expected to be fully captured within two years

Cost synergies across a range of areas:

- Consolidation of executive, listing costs and related overhead

- Duplication of functions

- Savings in third party procurement (IT, property and supply chain)

- Gains through improved supply chain utilisation



A solid platform for growth

Initial focus on implementation and delivering cost synergies

A range of opportunities for expansion both organically and through acquisition within existing businesses:

- Australian grains – opportunities across the grains value chain

- Landmark – continued expansion into adjacent services

- Malt – strategic expansion in additional capacity

Geneva business to be more closely aligned to core activities (chartering, grains trading, Black Sea grain origination, trade finance)



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A company with high quality earnings and significant growth profile

Significant benefits for all shareholders

- ✓ ASX 100 listed agribusiness
- ✓ Product and geographic diversification
- ✓ Solid platform to pursue growth opportunities
- ✓ Strengthened financial position
- ✓ Cost synergies and EPS accretive



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