Separation to unlock shareholder value

4 April 2019

GrainCorp

Portfolio Review outcomes

- GrainCorp has commenced execution of a number of operational and value creation strategies which have been developed through the Portfolio Review

	Value creation strategy	Status
Previously announced	Grains initiatives to increase 'through-the-cycle' EBITDA	Implemented - further benefits from FY20
	Fraser Grain Terminal investment (Canada)	Construction to complete by end CY20
	Sale of Australian Bulk Liquid Terminals	Announced 4 March 2019[(1)]
Today's announcement	Demerger of MaltCo	Targeting ASX listing by end CY19
	Integration of Grains and Oils – New GrainCorp	Commencing immediately

[(1)] The sale of Australian Bulk Liquid Terminals is subject to the satisfaction of conditions – see GrainCorp's ASX statement 4 March 2019.

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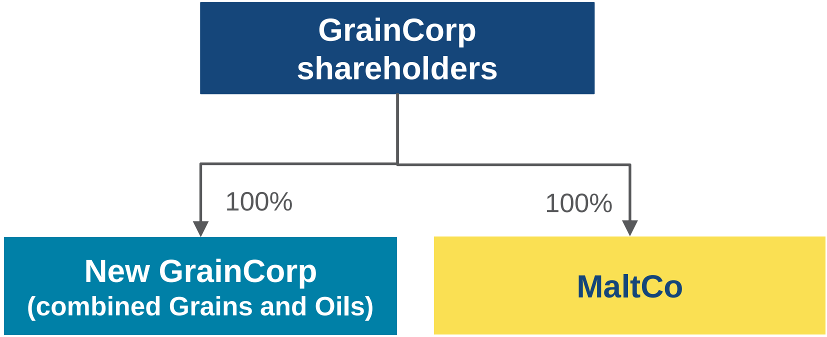
Demerger overview and rationale

GrainCorp to pursue a demerger of MaltCo

- MaltCo will become an independent ASX-listed company, with shareholders receiving shares in MaltCo proportional to their GrainCorp holding



International grain storage, handling and trading business and leading producer of edible oils

Leading global malting and craft brewing distribution platform offering sustainable growth

Separation of portfolio will unlock shareholder value

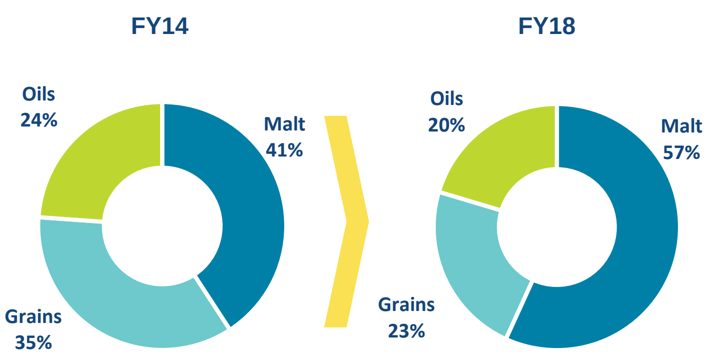
- Separate boards and management teams empowered to pursue independent strategies and operational initiatives
- Separation enables and accelerates simplification and cost reduction initiatives across both companies, targeting: c. $20m p.a.
- Tailored capital structures and financial policies appropriate for each business' unique characteristics
- Separate listed entities to appeal to investors with different investment strategies and preferences
- Increased potential for shareholders to obtain control premia from an acquirer given ongoing interest in the GrainCorp portfolio
- Engagement with parties who have expressed an interest in GrainCorp's portfolio and world class assets will continue
- If a formal, binding proposal to acquire all or parts of the GrainCorp portfolio is received, the Board will at that time assess its merits from the perspective of maximising value for all shareholders

Demerger overview and rationale

- GrainCorp is made up of businesses with different characteristics and returns resulting in different investment profiles
- Since its acquisition in 2009, MaltCo has become a significant business in its own right, currently representing a majority of Group earnings

Business characteristics	MaltCo	New GrainCorp: Grains	New GrainCorp: Oils
Key driver	Global malt / craft beer market	ECA[2] grain production and international origination	ECA[2] canola crop and consumer preferences
Volatility	Low – Medium	Seasonal	Medium
Interdependency[1]	Low	High	High
Operations	International	Australia & Canada	Australia & NZ
Earnings currency	Mixed (US weighted)	AUD	AUD

Earnings contribution – EBITDA[3]



[1] With current GrainCorp
[2] ECA – East Coast Australia
[3] Reflects business unit proportions of EBITDA, excluding corporate costs (includes Bulk Liquid Terminals)

Implementation of demerger

- GrainCorp is targeting implementation of the demerger by the end of CY19
  - Expected to be implemented through a Scheme of Arrangement, subject to shareholder, final Board, Court and regulatory approvals
  - Engagement with ATO underway regarding demerger tax relief
- Creation of MaltCo as a separate, listed company will involve some incremental costs, however, it is expected these will be at least offset by cost reduction initiatives to be implemented in MaltCo in the first year after demerger
- On demerger, Mark Palmquist will become Managing Director & CEO of MaltCo. Mr Palmquist will remain CEO of GrainCorp until demerger; in light of his intended appointment to the Board of MaltCo, he will resign from his role as Managing Director and step down from GrainCorp Board
- Klaus Pamminger (currently Group General Manager, Grains) has been appointed Chief Operating Officer, GrainCorp and, on demerger, Mr Pamminger will succeed Mr Palmquist as Managing Director & CEO of New GrainCorp
- Additional information on the proposed demerger, MaltCo and New GrainCorp will be provided to shareholders in due course

GrainCorp

Business information

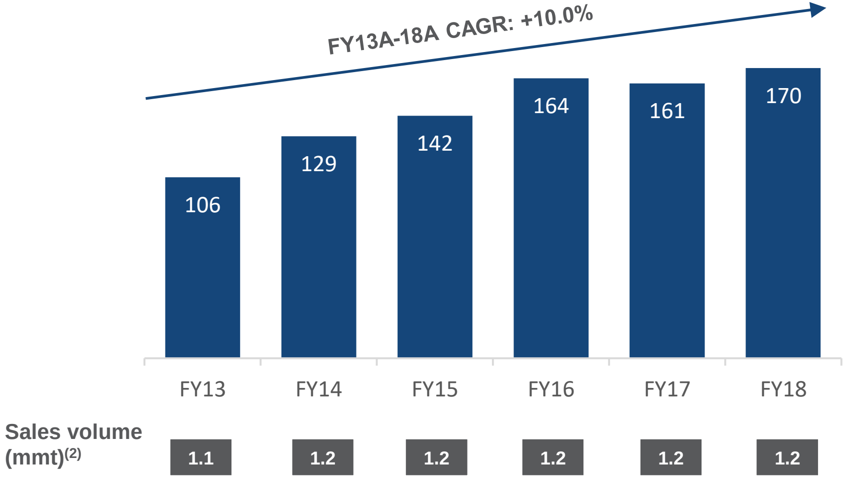
Overview of MaltCo

MaltCo is a leading global maltster with a strong track record of earnings growth, driven by strategies to focus on high value markets

Highlights

1	Fourth largest independent maltster globally with ~1.2Mtpa of capacity and ~95%+ average utilisation across 13 plants in North America, Australia and the UK
2	High quality supply chain and strong sourcing capability underpinned by grower relationships
3	Customer base diversified by type and geography, with a focus on key areas of the market that drive profitability, including exposure to high growth craft brewing sector
4	Strong market fundamentals in established areas of strength with the opportunity to expand globally
5	Strong distribution footprint allows MaltCo to provide high quality service to craft customers
6	Prudent capital structure and financial policies to deliver sustainable returns to shareholders and capital available for growth investment

Proforma EBITDA ($m)[1]



[1] Excludes sold German business. Showing historical EBITDA, excluding corporate costs which may change in a standalone proforma business.
[2] Excludes sold German business.

MaltCo: a leading global maltster

› Fourth largest independent maltster globally with ~1.2Mtpa of capacity and high utilisation across 13 plants in North America, Australia and the UK

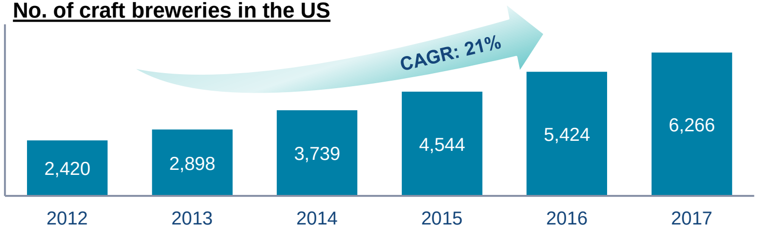
	North America		Australia	United Kingdom
Malt production	3 facilities Maltster selling bulk malt direct and bagged malt through CMG	2 facilities Maltster selling bulk malt direct and bagged malt through CMG and Brewcraft	3 facilities Maltster selling bulk malt direct and bagged malt through Cryer Malt	5 facilities Maltster selling bulk malt direct and bagged malt through Brewers Select
Craft distribution	12 facilities	5 facilities (shared with CMG)	8 facilities	1 facility
Key customers	Craft, big brewers and Asian exports		Asian exports, national beers and craft	Scottish distilling
Market share (production capacity)	~25%		~15-17%	~30%

MaltCo: strong market fundamentals, global expansion opportunities

- The US has seen rapid growth in the number of craft breweries; still significant growth potential in some states
- The growth of craft breweries has not been restricted to the US with the development of microbreweries in many countries including Canada, Great Britain, Australia and New Zealand

US craft beer has grown strongly over the last five years

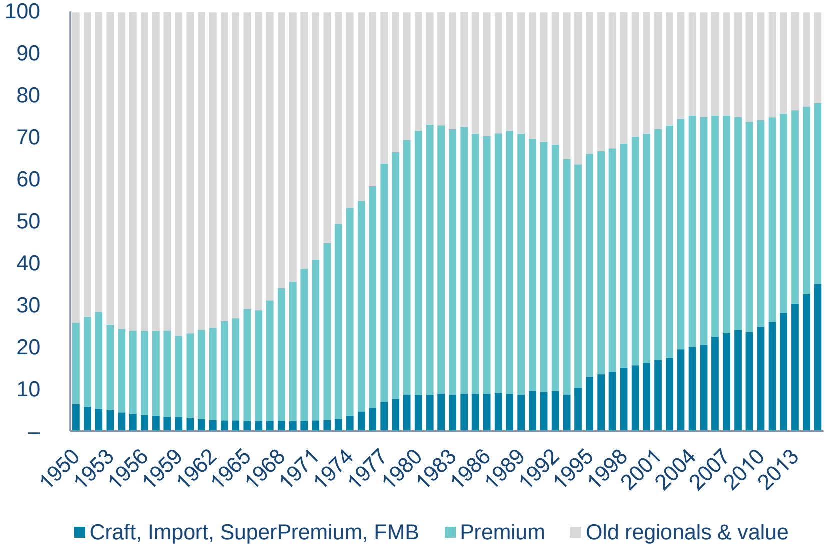
No. of craft breweries in the US



Craft market share evolution – last 5 years

- **Craft has doubled** its share of US beer over the past four years
- Strong growth fuelled by millennials and **preference for authenticity and variety**

Beer market share by segment (%)



Source: Brewers Association, Euromonitor.

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MaltCo: strong Craft distribution footprint

- Strong distribution footprint has enabled MaltCo to provide high quality service to its customers, particularly in the North American craft market
- Full service one-stop shop for craft brewing and distilling, offering malt, hops, yeast, adjuncts

North American distribution capability

COUNTRY MALT GROUP

- Extensive network of company owned warehousing and distribution assets servicing the regional, micro and brewpub sectors
- Significant market share in North America
- CMG offers over 400 SKUs
- International distribution agreements with on the ground partners in over 20 countries

UK distribution capability

BREWERS SELECT

- National distribution footprint
- Leverages experience in US craft
- Opportunity to internalise distribution capability
- National coverage

ANZ distribution capability

CRYER MALT

- Strategic acquisition in 2017 to internalise Barrett Burston's distribution platform
- Strong market position in Australia and NZ
- National coverage

North American craft distribution network

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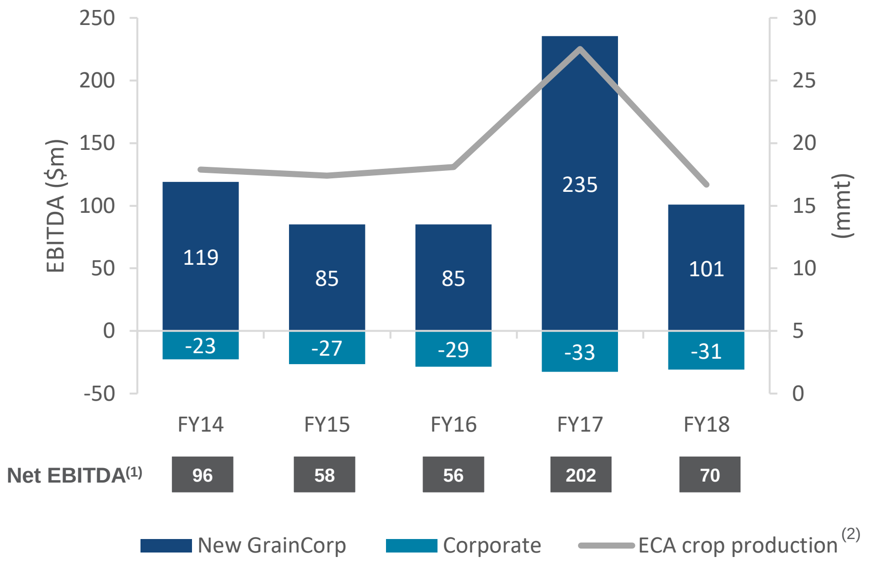
Overview of New GrainCorp

New GrainCorp is the leading Australian and New Zealand grain and oilseeds handler, with a growing global network of origination and destination locations

1	Integrated global agribusiness with grain handling, storage, trading and processing operations
2	Largest grains storage, transport and marketing network in eastern Australia with 145 country receival sites, 20Mt of storage and 7 ports
3	Australia's largest oilseed business, with ~400kMT pa capacity of canola crushing capabilities, expertise across the supply chain, 2 manufacturing facilities and liquid feeds capabilities
4	Implementing strategies for mitigating grain production volatility through supply chain fixed cost reductions and a bespoke derivative instrument
5	Origination and marketing teams across four continents, servicing over 100 domestic and international grain buyers in 30+ countries
6	Prudent capital structure and financial policies to deliver sustainable returns to shareholders and capital available for growth investment

Proforma EBITDA[1] profile (A$M)



1. Pro-forma underlying EBITDA for Grains and Oils combined (ex Australian Bulk Liquid Terminals), pre-interest and pre Oils significant items.
2. Average of ABARES and ACF production estimates for wheat, barley, canola, chickpeas and sorghum in QLD, NSW and VIC.

New GrainCorp: integration of Grains and Oils delivers customer benefits

- New GrainCorp's operations span the supply chain, from country receivals through to outload, and facilitate accumulation and storage of feedstock for the Oils operations.
- Integration drives a number of benefits to New GrainCorp customers, through shared grain accumulation & storage, freight/logistics and end-customer base in eastern Australia.

INTEGRATED GRAINS AND OILS

Grain accumulation & storage	Freight & Logistics	End customers
› Origination of grain & oilseeds grown by farmers – for Grains and Oils business › Expansive grain and oilseed handling network: >100 sites across eastern Australia › Processing operations provide source of demand for growers' grain	› Comprehensive freight & logistics network across Australia, connecting • Farms • Domestic consumers • Bulk handlers / container packers • Ports	› Common end-customers, particularly in intensive feedlot, animal feeds sectors › Opportunity to streamline processes and decision making to improve service offering to common customers

INTEGRATED GRAINS AND OILS

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New GrainCorp: initiatives delivering tangible benefits

- New GrainCorp is implementing initiatives to increase 'through-the-cycle' EBITDA
- Assets comprising New GrainCorp generated FY14-18 average EBITDA of ~$125 million before corporate costs

	Initiative	Benefit p.a.	Status
Grains	Operational improvements in grain stocks management	$10m	Completed
Grains	Grains cost reduction initiatives	$15m	Completed
Grains	New rail contracts	$10 – 15m	Benefits commencing FY20
Grains	ECA supply chain integration / improved asset utilisation	$10 – 20m	Implemented, full benefit from FY20
Grains	Expanded international footprint in Canada, Ukraine and India and expanding organics	$10 – 20m	Ongoing
	Sub total – Grains	**$55 – 80m**	
Oils	Ongoing benefits from Foods restructure and Continuous Improvement Program	$5 – 10m	Ongoing
Oils	Numurkah crush expansion and crush margin management improvement	$10 – 15m	Ongoing
	Sub total - Oils	**$15 – 25m**	

Benefits of simplification and demerger

Proposed demerger will accelerate and enable process simplification and cost reduction initiatives for New GrainCorp

Initiative	Approx. Benefit p.a.	Status
Integration of the Grains and Oils business units to eliminate duplication of costs and corporate functions	$10m	Implemented within next 6-9 months
Core business simplification initiatives resulting from separation of MaltCo	$10m	Implemented within first year following demerger
Total	**$20m**	

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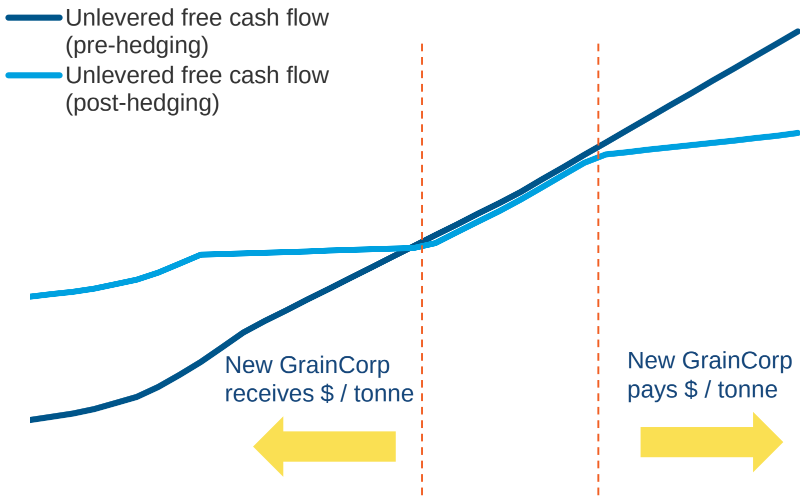
New GrainCorp: Overview of indicative Grain Derivative terms

Evaluating an east coast grain production derivative instrument ("Grain Derivative") to reduce cash flow volatility linked to grain harvest volumes

- Receive a fixed payment per tonne of ECA winter grain production short fall below agreed threshold
- Pay the same fixed payment per tonne of ECA winter grain production excess above agreed threshold
- Payments subject to annual and aggregate caps
- Long term agreement
- Annual fixed fee minimised through collar structure
- Indicative Term Sheet executed with a leading global insurer
- Remains subject to negotiation of satisfactory full form documentation

New GrainCorp indicative unlevered cash flow profile



Capital structure review

Review of capital requirements and optimal financing strategy for both MaltCo and New GrainCorp is being undertaken

MaltCo indicative financial policies

- Targeting a strong investment grade capital structure
- Policy of maintaining a ratio of net debt to EBITDA of no more than 2.0x – 2.5x
- Stay-in-business capex of $15-20m p.a.
- Targeting dividend payout ratio of at least 60%-80% of underlying NPAT

New GrainCorp indicative financial policies

- Targeting a strong investment grade capital structure that reflects the cash flow volatility reduction from any Grain Derivative
- Details of capital structure (including gearing, dividend policy and any distribution from sale of Australian Bulk Liquid Terminals) will be released once sale of Australian Bulk Liquid Terminals and proposed Grain Derivative have been finalised
- Stay-in-business capex c. $35-45m p.a.

Appendix

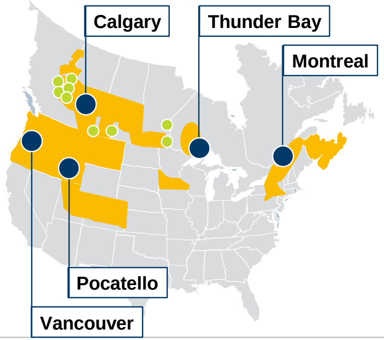
MaltCo: high quality supply chain, strong grower relationships

- Long-term relationships with growers provides access to the highest quality malting barley across the globe including the Country elevator network in Canada positioned in key barley growing areas

Region

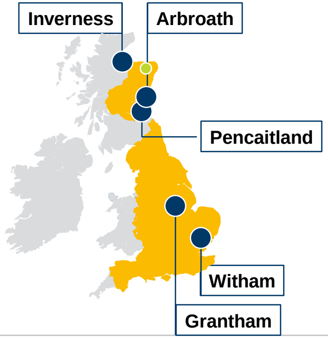
- Key barley growing regions
- Country elevator
- Malt production facilities

North America



Australia & New Zealand

United Kingdom



	North America	Australia & New Zealand	United Kingdom
Production capacity	758kt	250kt	257kt
Average utilisation	95%+ (5 production plants)	95%+ (3 production plants)	95%+ (5 production plants)
Supply chain	9 elevators 12 distribution facilities	8 distribution facilities	1 storage 1 distribution facility

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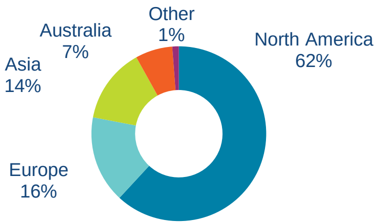
MaltCo: diversified customer base

Highly strategic business model with a mix of big-brewers, malt distillers and craft customers

		Small craft brewers	Malt distillers	Big-brewers	
Description		› Small craft brewers are 1/3 of the craft market and growing › Includes brew pubs, micro & regional craft	› Producing scotch or scotch style whisky › Includes both single malt and blended whisky	› Can produce both mass market and craft style › Dominated by large global brands, some regional	
	Base malt	✓	✓	✓	✓
MaltCo products used	Specialty malts (e.g. roasted, distilling)	✓	✓	✓	✓
	Small shipments	✓	–	Mass	Craft
	Brewing supplies (e.g. hops, etc.)	✓	–	–	–
	Expert advice/ support	✓	✓	–	–

Customer mix by geography

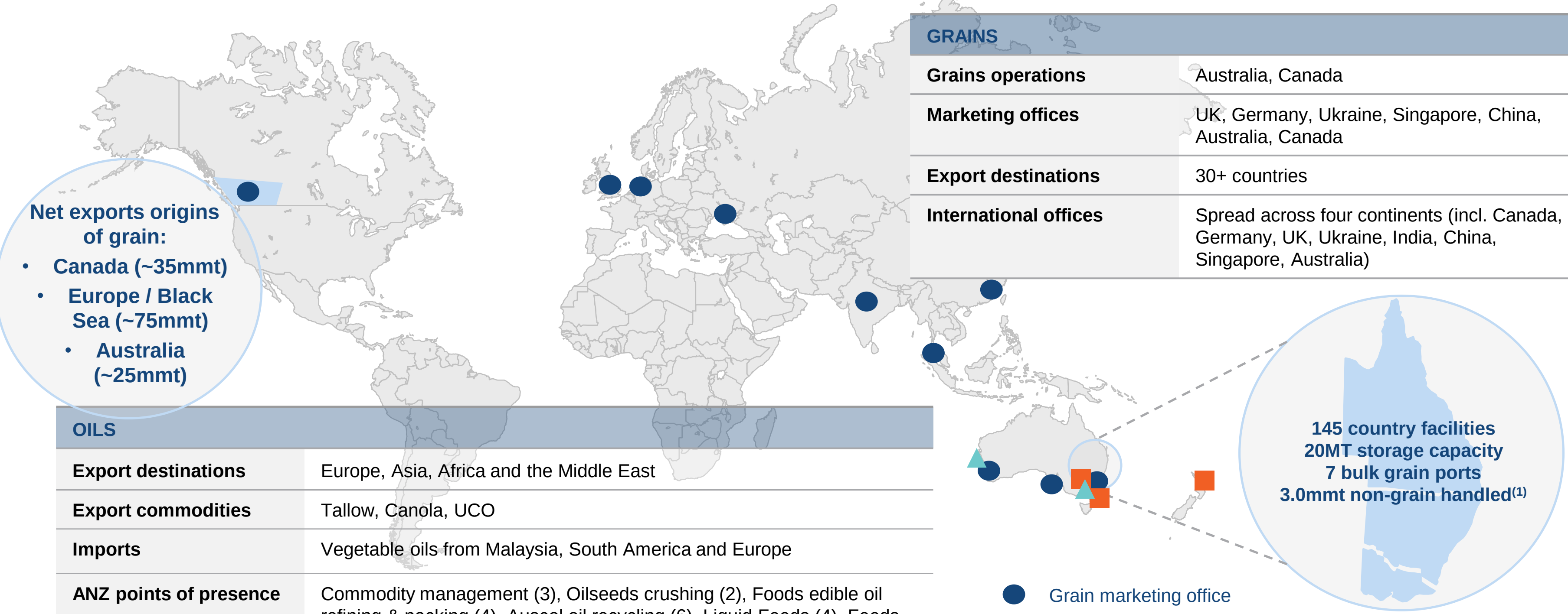
(FY18 revenue – GrainCorp Malt)



Source: Brewers Association, Euromonitor.

New GrainCorp: strong domestic & international footprint

› New GrainCorp has an expansive ANZ footprint, global multi-origin origination capabilities and customers and a vertically integrated supply chain



GRAINS	
Grains operations	Australia, Canada
Marketing offices	UK, Germany, Ukraine, Singapore, China, Australia, Canada
Export destinations	30+ countries
International offices	Spread across four continents (incl. Canada, Germany, UK, Ukraine, India, China, Singapore, Australia)

OILS	
Export destinations	Europe, Asia, Africa and the Middle East
Export commodities	Tallow, Canola, UCO
Imports	Vegetable oils from Malaysia, South America and Europe
ANZ points of presence	Commodity management (3), Oilseeds crushing (2), Foods edible oil refining & packing (4), Auscol oil recycling (6), Liquid Feeds (4), Feeds NZ (2), Other (6)

- Grain marketing office
- Oilseed crushing facility
- Edible oil refining facility
- Grain operations (AUS & CAN)

1. Fertiliser, sand, sugar, woodchips, orange juice concentrate.

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New GrainCorp: growing international operations

Grains has recently focussed on growing its international origination and destination network to diversify its portfolio

GrainsConnect Canada (GCC)

- 50-50 joint venture between GrainCorp and Japanese agricultural cooperative, Zen-Noh Grain Corporation (USA)
- Will expand origination footprint in Canada and enable multi-origin service offering to customers in Asia and MENA
- Four state-of-the-art facilities; 35,000 tonne grain terminals with ability to load 134 rail cars in under 14 hours
- GCC JV with Parrish & Heimbecker in new port at Fraser River Vancouver, expected to complete in CY2020
- Targeting total grain handle of 2mmt p.a.

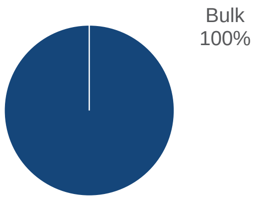
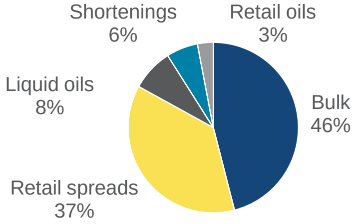
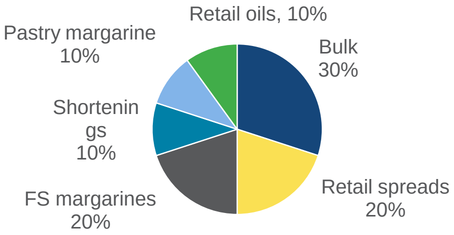
Ukraine

- GrainCorp's expansion into Ukraine driven by global growth in protein consumption
- Ukraine is the second largest global exporter of corn, wheat and barley, averaging 42mmt p.a.
- GrainCorp to increase participation in coarse grain trade (such as feed wheat, feed barley and corn)
- Improves GrainCorp's geographic footprint and commodity offering to customers
- Targeting 1mmt+ p.a.

India

- India sales office presence to increase participation in the large chickpea 'niche' market
- Contribute to domestic volume growth by drawing more grain through GrainCorp's Eastern Australian network – 50% of Australian chickpeas are destined to India
- Potential opportunities to supply grain sources from Canada and the Black Sea for bulk shipments of pulses as well as wheat and barley

New GrainCorp: manufacturing footprint

	Numurkah	West Footscray	East Tamaki
Capability	› Crushing, Refining, Bleaching, Deodorising	› Refining, Bleaching, Deodorising, Hydrogenation, Interesterification, Fractionation and Winterisation	› Refining, Bleaching, Deodorising, Hydrogenation, & Intersterification
Foods volume contribution	*32%*	*55%*	*13%*
Composition			
Packing Plant and Equipment		12 Packing lines 8 Industrial lines 4 Retail lines	8 packing lines 5 Industrial lines 3 Retail lines