



Media Release

GrainCorp Limited ABN 60 057 186 035

IMMEDIATE RELEASE

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GRAINCORP ANNOUNCES MORE DETAIL ON CORPORATE STRUCTURE CHANGES

GrainCorp today released more details of its corporate realignment. The details emphasise the renewed focus on the core business of the company; supply chain solutions, logistics and grain marketing.

GrainCorp Managing Director Mark Irwin said, "On the 28th May I announced the realignment of our five business units into three – Storage and Handling, Marketing, and Ports and New Business. The first phase of implementing the new corporate structure will commence from the beginning of July."

"Further to this, there will be some name changes to business units, and some lines of business will be rationalised, as we focus on our core business; supply chain solutions, logistics and grain marketing," Mr Irwin said.

"Our storage and handling business unit, managed by Kevin Lloyd, will be renamed *GrainCorp Storage and Logistics*. This change emphasises our focus on integrating upcountry grain accumulation sites with our road and rail logistics, to create efficient 'site to site' supply chain solutions for growers, our domestic customers and for grain exporters."

"We will be phasing out the name AG Haul. The current road freight business will continue unchanged as a line of business within the *GrainCorp Storage and Logistics* business unit," Mr Irwin said.

"In May I announced that our AG Plus merchandise business would become part of the new *GrainCorp Ports and New Business* unit managed by Nigel Hart. This business unit also includes our 9 port terminals, Hunter Grain and Container Link."

"The AG Plus name will be replaced by *GrainCorp Merchandise*, and our focus will be on growing this business over the next 2 years. The name change will link the merchandise business more closely with the GrainCorp brand," Mr Irwin said.

"The rationale for the restructure we announced in May was to focus on our core business, supply chain solutions and grain marketing. This is why we have taken the decision to close our AG Finance and wool trading desk operations. While both businesses were profitable, they were not core business and we did not see opportunities to grow revenue significantly from either."

"Our third business unit, *GrainCorp Marketing*, managed by Sam Tainsh, will continue to trade Australia grains and oilseeds into the domestic and international markets, and we will continue to offer competitive, transparent grain pools to growers across Australia."

"Following the removal of the wheat export monopoly, we will be increasing our wheat marketing resources, an exciting development for GrainCorp."

"A further addition to the *GrainCorp Marketing* business unit is the new rail freight desk. This is the first step toward the creation of a secondary market for grain freight and will allow us to trade rail freight capacity, in the process extracting greater efficiencies from the trains we have contracted with Pacific National," Mr Irwin said.

"The changes we are announcing today will be phased in over the next few months. We are targeting October for completion of our rebranding and business realignment."

GrainCorp is a leading Australian agribusiness, with extensive bulk handling infrastructure on the east coast and a national and international grain marketing operation.

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