



Media Release

FINAL

Monday, 3 August 2009

GRAINCORP ANNOUNCES PROFIT UPGRADE

GrainCorp today announced that the Company had issued a revised net profit after tax (NPAT) forecast range for the current financial year ending 30th September 2009, up from \$37 - \$42 million, to between \$53 - \$63 million.

The key drivers of the NPAT upgrade include;

- Higher than expected grain receivals, on target to exceed 9.5 mmt;
- Higher than expected export tonnages through GrainCorp port terminals, now anticipated on the back of current shipping intentions, to be between 4.5 and 5.0 mmt;
- Higher than budgeted export sales by GrainCorp Trading.

Grain receivals in FY09 were boosted by post harvest deliveries to GrainCorp sites of more than 1 mmt, an indication of a significant movement of grain from on-farm storage into the GrainCorp network, driven primarily by demand from new bulk wheat exporters and their preference for accumulating export cargos from bulk networks.

Earnings from the provision of port terminal services have been boosted by significantly higher than average sorghum export volumes through GrainCorp terminals at Mackay, Gladstone, Fisherman Islands and Carrington, following 2 sorghum crops that were significantly above average.

GrainCorp Managing Director Mr. Mark Irwin said, "The higher than expected export tonnage demonstrates that the removal of the bulk wheat export monopoly has encouraged more competition in the Australian wheat market, and is driving a more robust export program."

"GrainCorp provides port terminal services to more than 10 bulk grain exporters, most of whom are exporting wheat. The number of customers we service shows the effectiveness of our long standing policy of providing open access to all exporters."

"While our port earnings have recovered and the result is pleasing, they need to be looked at in the context that the earnings boost in FY09 follows 2 years of low export tonnages and associated terminal operation losses."

"The prospects for another good winter grain harvest remain, with crops having been established in ideal conditions in most areas, but finishing rain across the grain belt is needed," Mr Irwin said.

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GrainCorp's vision is to be Australasia's leading handler and supplier of agriproducts and bulk products.

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