

**IMMEDIATE RELEASE**

**Wednesday, 26 May 2010**

## **GRAINCORP HALF YEAR PROFIT INCREASE AND 15 CENT INTERIM DIVIDEND**

GrainCorp has released its 2010 half year financial results, announcing a net profit after tax (NPAT) of \$53 million, up from \$32 million last year, and a fully franked interim dividend of 15 cents per share.

GrainCorp interim CEO Mr Ian Wilton said, "This is a strong result for the company and it highlights the contribution of the malt business to earnings. The aim of the acquisition of United Malt Holdings was to reduce earnings volatility. This was successfully achieved with the \$58 million contribution to EBITDA from malt, in line with expectations."

"Earnings from grain storage and port elevation were lower than last year, due to lower 2009/10 grain production."

### **Results Summary – Half year to 31<sup>st</sup> March 2010**

	2010 (mmt)	2009 (mmt)		2010 \$ million	2009 \$ million
Carry in	2.9	2.2	Revenue	922	858
Country receivals	7.0	8.8	EBITDA	114	82
Export grain handled	1.5	1.9			
Carry out	6.1	7.2			
Non grain exports handled	0.7	0.7			
Malt sales volume	0.4	NA	<b>Net profit after tax</b>	<b>53</b>	<b>32</b>

### **Interim dividend <sup>1</sup>**

GrainCorp Chairman Mr Don Taylor said, "The GrainCorp dividend policy is to pay between 40 and 60% of net profits across the business cycle. The GrainCorp Board has decided to pay a fully franked interim dividend of 15 cents per share, which is at the top end of this range."

"The Board is appreciative of the support shown by shareholders, particularly during the capital raisings we undertook during 2009."

### **Profit Guidance**

Mr Wilton said, "We are adjusting our full year EBITDA guidance to between \$190 and \$210 million (from \$180 to \$210 million) and expect a full year NPAT of between \$75 and \$90 million."

"Earnings from malt sales are on budget, demonstrating the value of our strong customer relationships and long term supply agreements."

<sup>1</sup> Note – The interim fully franked dividend will have a record date of 21 June 2010, and be paid on 5 July 2010. The Board confirmed that the Dividend Reinvestment Plan remains suspended.



**GrainCorp**

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“Second half earnings from grain handling will not be as strong as the same period in 2009. After harvest last year we received more than 1 million tonnes of grain ex-farm for the export market. We don’t expect to receive similar ex-farm volumes this year, mainly due to reduced export demand resulting from record high world grain stocks and the high value of the Australian dollar during much of 2010.”

“However, recent significant devaluation of the Australian dollar will increase the international competitiveness of Australian grain, and this may boost export activity out of eastern Australia before the end of the current financial year.”

## **Seasonal Outlook**

Planting of the 2010/11 eastern states cereal, pulse and oilseed crop is well underway, with farmers taking advantage of good subsoil moisture conditions.

Mr Wilton said, “The good subsoil conditions should boost yields. Crop forecasters are anticipating an average area will be planted this year. The forecasters also predict that current grain prices will encourage growers to change their crop mix, planting less barley, more canola and pulses, and about an average area of wheat.”

“Should growing conditions remain favourable up to harvest, we expect the coming season will be a positive one for growers and GrainCorp.”

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