

GrainCorp Pools

GrainCorp 09/10 Harvest Wheat Pools Early Commitment Premium – Fact Sheet

Objective of the 09/10 Harvest Wheat Pools

- Maximise returns to Pool Participants.
- Sell the pooled grain as directly to the end user as possible to capture maximum value.
- Achieve a final Estimated Pool Return (EPR) above the average cash price for the life of the pool.

Early Commitment Premium

- Early commitments from growers enable us to make early export sales and carry out more detailed hedging with the aim to increase the value of the pool.
- The Early Commitment Premium of \$11/mt is available from September 17th 2009 until September 25th 2009 OR until GrainCorp announces that no further contracts will be accepted.

Geographically separate pools

- The GrainCorp 09/10 Harvest Wheat Pool is divided up into three separate pools: West Australia, South Australia and East Coast Australia.

Hedging

- Majority of the commodity as well as the currency exposure of the pool will be hedged
- Hedging will take place when growers commit grain to the pool
- Commodity will be hedged in options and/or in futures products relating to Australian and US futures exchanges.
- Currency hedging will be done in options and/or in forward exchange contracts using major banks in Australia.

Payment Options

	<i>Harvest Payment</i>	<i>Deferred Payment</i>	<i>Standard/ Flexi Loans</i>	<i>Distribution</i>	<i>Single Sum</i>
Harvest	70% less 100% costs		Up to 75% less 100% costs		
March 10				Up to 20% less 20% costs	
June 10					
July 10		70% less 100% costs		Up to 20% less 20% costs	
August 10					
September 10	Up to 15%			Up to 20% less 20% costs	
October 10					
December 10	Final Payment	Final Payment		Final Payment	Final Payment

Note: The exact amount and timing of each payment will be at the discretion of the Pool Manager. For full details of the product offering please read the Pools Terms and Conditions carefully. All details are available from www.graincorp.com.au

For all enquiries contact your local GrainCorp Marketing Services representative or call GrainCorp on 1800 809 482.

Sales Program

- Initial planned sales program will be to sell between 5-15% of the pooled grain each month.
- Our aim is to sell as directly as possible to end users as long as this provides best value for pool participants.
- The sales program is planned to be complete and the pool finalised by December 2010.
- The Pool Manager reserves the right to vary the sales program if it is deemed to be in the best interest of the pool.

Pricing/Management Fee

- Estimated Pool Returns (EPR's) are quoted Free On Board (FOB) NETT of management fees.
- Increments paid on protein, screenings and moisture for most grades (see www.graincorp.com.au).
- No Underwriting.
- Management fee of 2% of the FOB EPR value.
- Transparent and public disclosure of all estimated cost –see the Online Pool Calculator on www.graincorp.com.au.

Fixed Washout Fee

- \$25/mt washout fee in case of production failure.

Early Exit Option

- Ability to exit the pool at after March 1st 2010.
- A 10% discount of the FOB EPR value will apply