

MEDIA RELEASE

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GROWERS SET TO BENEFIT FROM EMERALD RAIL INVESTMENT

Grain growers have given the thumbs up to Emerald Group's (Emerald) recently-announced train services, which will run from southern New South Wales and Victoria to east coast ports in mid-2012.

Emerald's investment in rail services will see an additional three million tonnes of grain transported from southern New South Wales and Victorian sites to the ports of Port Kembla, Melbourne, Geelong and Portland from July 2012.

The Victorian Government's Grain Logistics Taskforce has acknowledged the need for improved rail capability to create efficient movement of grain to port.

Western Victorian grower and Southern Quality Produce director, Rod Laidlaw, said more rail services are good news for growers.

"The availability of rail gives us greater flexibility. With improved access to ports, we can move our grain more quickly," Mr Laidlaw said.

"Rising road costs have also been eating into grower returns. Solutions that create more transport options such as rail will help us achieve better returns on our crop.

"The advantage of Emerald's partnership with growers is that it is able to respond to our needs, and through this investment, we will have greater access to rail services."

Emerald Group General Manager Operations & Supply Chain, John Warda, said the company is committed to providing logistical solutions for growers that will ultimately lead to better returns.

"Competition for rail capacity in Australia has created transport bottlenecks, particularly along the east coast. This has put upward pressure on road costs. Emerald has listened to growers and responded by expanding its supply chain capability to ensure long term competitiveness."

"This investment in our own infrastructure complements the recently-acquired Australian Bulk Alliance storage and port assets. The trains give Emerald the ability to reduce its reliance on road freight, access additional market opportunities, and significantly lower supply chain costs, ultimately generating higher returns to growers," Mr Warda said.

Emerald's decision to invest in rail infrastructure highlights its commitment to providing a robust, integrated supply chain for growers. The investment is a key plank of the company's \$120 million supply chain expansion strategy announced in December 2011.

Over the coming weeks Emerald will continue its discussions with its strategic partners to explore the benefits of additional train services, as well as maximising the utilisation of both train and storage assets.



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Background information

Emerald Group Australia Pty Ltd is one of Australia's leading grain marketing companies offering grain marketing products to assist its grower customers maximise returns and manage grain market risks. Emerald offers a range of pool, fixed price and tailored hedging products to an Australia-wide grower customer base.

Emerald's unique business model includes commercial partnerships with grower organisations that assist these grower groups take greater control and directly benefit from grain market liberalisation. The Joint Ventures between Emerald and grower groups include *SQP Grain* with Southern Quality Produce Co-operative in Victoria, *EP Grain* with FREE Eyre Ltd on the Eyre Peninsula in South Australia and *Southern Ag Grain* with Southern Ag Venture in southern New South Wales. In Western Australia, Emerald operates in its own name and also has a strong alliance with *WAFarmers*, in Queensland it operates as *Philp Brodie Grains* and in eastern South Australia as *Sturt Grain*.

Emerald is an Australian business founded in 2004. It was originally fully owned by the directors and staff of the company and now includes amongst its major shareholders Sumitomo Corporation, who has offices in 66 countries. This alliance with Sumitomo has provided Emerald with unrivalled access into a range of grain processors in countries throughout the world, and in particular, into the rapidly growing markets in East and South Asia. During the 2010/11 harvest, Emerald received 3.4 million tonnes of grains and oilseeds directly from Australian grain growers and had a turnover of A\$1.2 billion.