NEWS RELEASE

25 February 2014

FY14 outlook & update on strategic initiatives

GrainCorp is providing an update for shareholders on the outlook for FY14 and strategic initiatives at its Annual General Meeting in Sydney today.

GrainCorp Executive Chairman Don Taylor said that the poor seasonal conditions in Queensland and northern NSW meant the company had received lower winter grain volumes, in contrast with the benefits of recent large harvests. Poor conditions are continuing to affect summer crop production and receivals. These effects are amplified by a lower carry-in of 2.3 million tonnes (FY13: 4.3 million tonnes) and a bulk grain export program in FY14 that is heavily skewed to the first half.

The company envisages FY14 EBITDA of $275 – $315 million and NPAT of $80 – $100 million before significant items (FY13 EBITDA $395 million; FY13 NPAT of $175 million before significant items).

This guidance remains subject to a number of variables, including:

- Volumes received in 2H14, particularly sorghum; direct-to-port receivals of ex-farm grain and port elevations;
- Uncertainty around the duration and impact of drought conditions, their effect on grain stock movements and whether grain is exported or absorbed by domestic demand; and
- Foreign exchange rates.

“As we indicated when announcing our full year result in November last year, our Storage & Logistics business is entering a more challenging period after some large harvests. This is receiving close board and management attention,” Mr Taylor said.

“The volatility in the eastern Australian production cycle highlights the benefits of GrainCorp’s diversification strategy. The outlook for our processing businesses is sound, with good forward sales and strong capacity utilisation across their facilities. While GrainCorp Marketing also has some reliance on eastern Australian volume, market volatility may create domestic and export sale opportunities for our trading teams in Australia, Europe, North America and Asia.

“I’m pleased to report we are making good progress on our strategic initiatives across the company and we remain very confident in the fundamentals that underpin the future growth of GrainCorp,” Mr Taylor said.

FOR FURTHER INFORMATION

MEDIA:

Angus Trigg
Director, Government & Media Relations
+61 2 9325 9132
+61 413 946 708
atrigg@graincorp.com.au

INVESTORS:

David Akers
Investor Relations Manager
+61 2 9266 9217
+61 412 944 577
dakers@graincorp.com.au