



27 February 2015

The Manager
Company Announcements Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

**GRAINCORP LIMITED: GNC
INVESTOR PRESENTATION
FY15 OUTLOOK & GUIDANCE**

Please find attached the Investor Presentation relating to GrainCorp's FY15 outlook and guidance.

GrainCorp is holding a briefing at 10:30am (Sydney time).

The briefing will be webcast live and can be accessed from the following link:
<http://www.brrmedia.com/event/135331>.

An archived version will also be available later in the day.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Gregory Greer".

**Gregory Greer
Company Secretary**

GrainCorp Limited

Level 28, 175 Liverpool Street
Sydney NSW 2000

PO Box A268
Sydney South NSW 1235

T 02 9325 9100
F 02 9325 9180

graincorp.com.au

FY15 Outlook & Guidance

27 February 2015



GrainCorp



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Grains outlook – lower grain production eastern Australia



	Market fundamentals	GrainCorp FY15 outlook
Storage & Logistics	<ul style="list-style-type: none"> Eastern Australian crop production estimate of 16.2mmt⁽¹⁾ is below normal (FY14: 17.2mmt) Domestic demand for grain in eastern Australia of ~10mmt will be satisfied first Exportable surplus significantly below normal at ~6.0mmt (FY14: ~7.2mmt) Queensland sorghum crop outlook improved but still dependent on weather through March / April Higher domestic prices for grain has delayed grain export program from eastern Australia 	<ul style="list-style-type: none"> Carry-in: 1.9mmt significantly lower than recent years (FY14: 2.3mmt) Country receivals: 7.0 – 7.5mmt (FY14: 8.0mmt); 6.7mmt⁽²⁾ receivals year-to-date Grain exports: 2.5mmt – 3.0mmt (FY14: 4.4mmt); 0.9mmt YTD⁽³⁾; stem bookings year-to-go 3.8mmt⁽⁴⁾ → expecting low execution rate in 2015 Non-grain exports: ~2.5mmt (FY14: 1.9mmt) Carry-out: 1.8mmt – 2.0mmt (FY14: 1.9mmt) Rail freight: Contracted under long term take or pay arrangements. Below normal exportable surplus resulting in decreased rail freight utilisation → unrecoverable logistics costs Logistics complexity: Increased complexity for grain outload task
Marketing	<ul style="list-style-type: none"> Continuing strong international grain demand Lower eastern Australia production volumes and continued competition to originate grain Australian grain quality is above average Lower AUD making Australian grain more competitive however partially offset by reduced freight advantage, particularly to Asia 	<ul style="list-style-type: none"> Challenging given lower production and significant competition for grain in eastern Australia Strong growth in Western Australian origination and sales program Implementation of our international grain origination growth strategy continuing to gain traction → diversifying our origination and sales mix

1. Eastern Australia's wheat, barley, canola and sorghum production estimates, using the average of the Australian Crop Forecasters' February 2015 report and ABARES' February 2015 Report.
2. Wheat, barley, canola, sorghum received up country year-to-date.
3. Wheat, barley, canola and sorghum exports year-to-date.
4. Wheat, barley, canola and sorghum shipping stem bookings year-to-go.

Below normal grain production resulting in lower S&L volumes



	Drivers (mmt)	FY14	FY15 YTD ⁽¹⁾	FY15 Outlook	FY15 Outlook
Storage & Logistics	Eastern Australia Grain Production	17.2		16.2 ⁽²⁾	<ul style="list-style-type: none"> Grain production forecast below normal and lower than prior year
	Grain carry-in (1-Oct)	2.3		1.9	<ul style="list-style-type: none"> Below average and lower than recent years Expected to result in lower storage revenue and smaller export program
	Country network receivals	8.0	6.7 ⁽³⁾	7.0 – 7.5	<ul style="list-style-type: none"> Below normal and lower than recent years Expected to result in lower storage revenue and smaller export program
	Grain exports	4.4	0.9 ⁽⁴⁾	2.5 – 3.0	<ul style="list-style-type: none"> 3.8mmt⁽⁵⁾ booked on the shipping stem → expecting low execution rate in 2015 Delay in shipping program means low utilisation of rail freight obligations
	Non-grain exports	1.9	0.8	~2.5	<ul style="list-style-type: none"> Strong demand for woodchip exports
	Carry-out	1.9		1.8 – 2.0	<ul style="list-style-type: none"> Expected to be in line with or lower than prior year

1. YTD reflects Year-to-Date.
2. Eastern Australia's wheat, barley, canola and sorghum production estimates, using the average of the Australian Crop Forecasters' February 2015 report and ABARES' February 2015 Report.
3. Wheat, barley, canola, sorghum received up country year-to-date.
4. Wheat, barley, canola, sorghum exports year-to-date.
5. Wheat, barley, canola and sorghum shipping stem bookings year-to-go.

Processing outlook – well placed through strong competitive position



	Market fundamentals	GrainCorp FY15 outlook
Malt	<ul style="list-style-type: none"> • Global barley crop production ~140mmt⁽¹⁾ (FY14: 145mmt) • Weather related barley production issues in Canada and USA • Beer demand in mature markets continues to soften and slower growth in developing markets • Continued demand for quality malt • Continued strong growth in North American craft beer segment 	<ul style="list-style-type: none"> • Forward sales of 1.2mmt YTD • Malt sales volume: ~1.27mmt • Lower Australia dollar to benefit earnings translation and exports from Australia • Processing of poor quality barley in North America tracking well however, have incurred unrecoverable processing and transport costs • Continued incremental benefits from strategic initiatives being realised
Oils	<ul style="list-style-type: none"> • Australian canola crop production estimate of ~3.4mmt⁽²⁾ (FY14: 3.7mmt) • Growing domestic and international demand for canola oil • Continued competition in crushing and refining • Continued demand for bulk liquid terminals capacity 	<ul style="list-style-type: none"> • High capacity utilisation for crushing • Refining volumes stabilising; however volumes at lower margins • Consistently high capacity utilisation across bulk liquid terminals • Complementary contributions from Liquid Feeds and Commodity Management businesses offset by low volumes for NZ Feeds

1. World barley production estimates. Source: United States Department of Agriculture's website: accessed 27 February 2015.

2. Australian canola production estimate, using the average of the Australian Crop Forecasters' February 2015 report and ABARES' February 2015 Report.

FY15 Earnings Guidance



	EBITDA	NPAT
Guidance	<ul style="list-style-type: none"> • EBITDA (before significant items): \$240M – \$270M 	<ul style="list-style-type: none"> • Underlying NPAT (before significant items): \$45M – \$60M
Assumptions / Variables	<ul style="list-style-type: none"> • Includes 60% share of Allied Mills NPAT before significant items <p>Variables</p> <ul style="list-style-type: none"> • 2H15 volumes: sorghum receivals; direct to port receivals; port elevations • Drought effect on domestic demand and associated stock movements • Processing and transport costs related to low quality barley in North America • New season opportunities for Marketing in Q4 • Level of AUD and CAD FX • Barley and oilseed procurement 	<ul style="list-style-type: none"> • Depreciation & Amortisation: ~\$135M • Tax: ~26% • Significant items totalling ~\$7M including Oils, Malt and Allied optimisation.

Winter crop post harvest review



Production & Receivals

- Lower than average grain production in northern regions
- Winter receivals of 6.7mmt year-to-date, representing upcountry market share of ~46% → good performance given smaller crop
- Export program later than expected → reducing the recoverability of fixed rail freight costs

Project Regeneration

- 180 silos operated during harvest (~70 fewer than prior harvest)
- New cluster model performed well during harvest
- ExportDirect initiative in place and performing well
- Positive signs on ability to improve cost effectiveness across smaller network
- Improved customer service and positive feedback from growers