

26 March 2015

The Manager  
Company Announcements Office  
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**SYDNEY NSW 2000**

**GRAINCORP LIMITED: GNC  
INVESTOR PRESENTATION**

The attached Investor Presentation will be used by GrainCorp for the purpose of investor meetings at the Credit Suisse Asian Investment Conference in Hong Kong 26-27 March 2015.

Yours sincerely,



**Gregory Greer  
Company Secretary**

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# Investor Presentation

March 2015



GrainCorp



# Disclaimer



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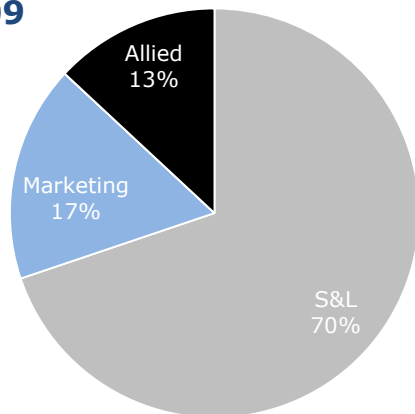
# Strong platform created though focus on corporate objectives



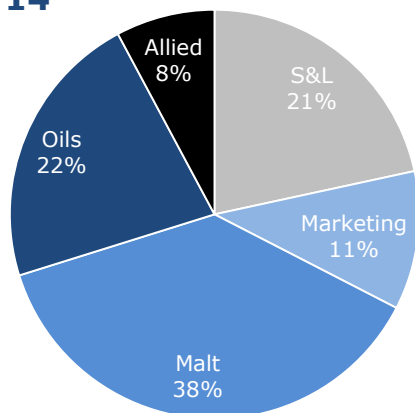
## Manage variability

EBITDA by segment<sup>(1)</sup> \$M

FY09



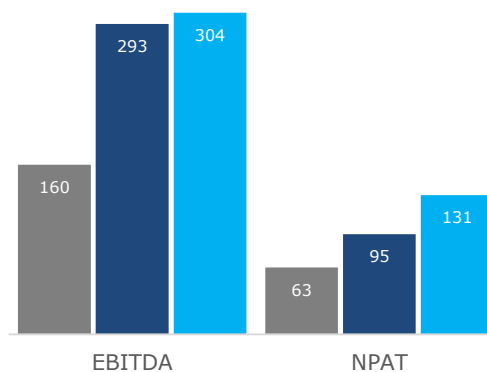
FY14



## Deliver growth

EBITDA and NPAT<sup>(2)</sup> \$M

■ FY09 ■ FY14 ■ 6yr Avg

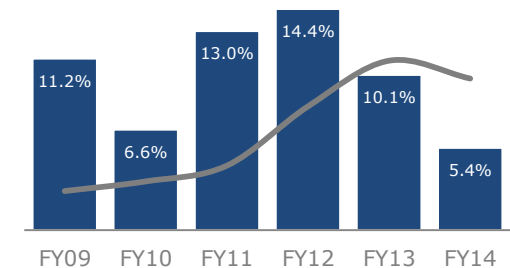


Growth in total EBITDA and NPAT but on a per share basis, growth relatively flat

## Improve returns

Return on Equity %

■ Annual ROE %  
— Rolling 5 yr avg ROE %



Some improvement through the cycle but greater reliability required

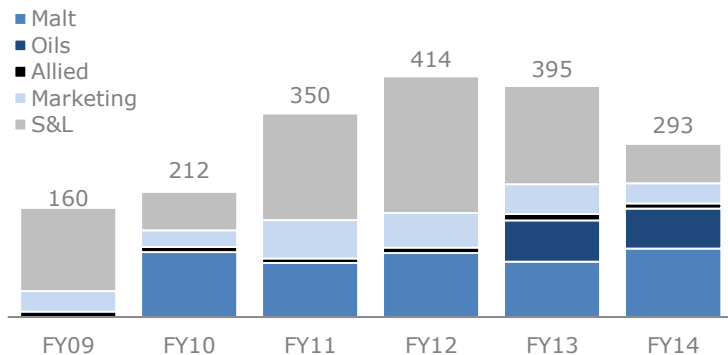
Strategic initiatives targeting optimisation and / or growth in all segments

1. Underlying EBITDA. Excludes corporate costs.  
2. Underlying EBITDA and NPAT. Includes corporate costs.

# Earnings profile highlighting benefits of diversification along the grain chain



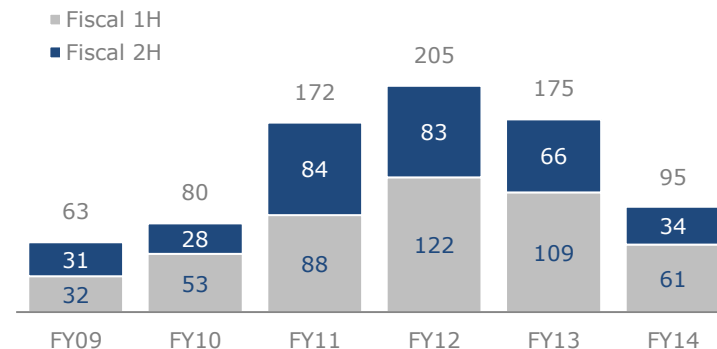
## EBITDA<sup>(1)</sup> \$M



<b>2H</b>	78	100	177	179	168	<b>127</b>
<b>1H</b>	82	112	173	235	227	<b>166</b>

- ~83% increase in EBITDA from FY09 to FY14
- Diversification highlighted in earnings profile

## NPAT<sup>(1)</sup> \$M



<b>2H</b>	31	27	84	83	66	<b>34</b>
<b>1H</b>	32	53	88	122	109	<b>61</b>

- ~50% increase in NPAT from FY09 to FY14

1. Before significant items. EBITDA and NPAT reflect inclusion of Malt from FY10 and Oils from FY13.

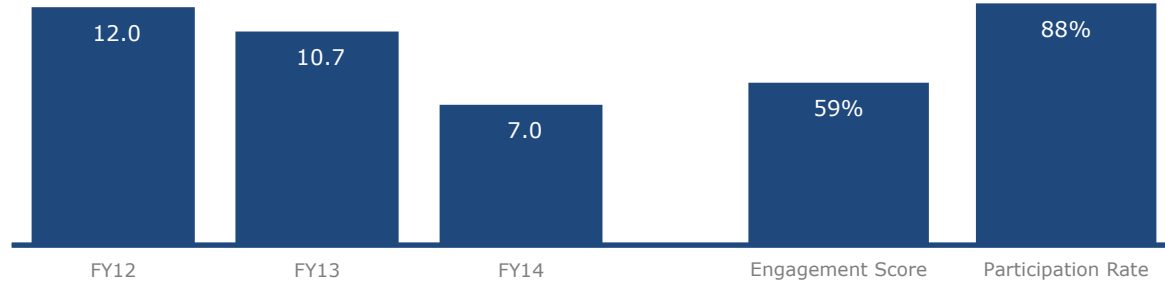
# Commitment to values driving positive outcomes



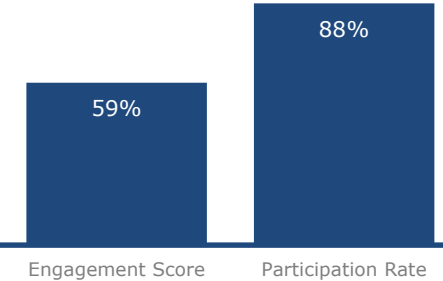
**Values**

- SAFETY**
- OUR PEOPLE**
- CUSTOMERS**
- EXCELLENCE**
- SUSTAINABILITY**
- OUR COMMUNITY**
- INTEGRITY**

## Safety Performance<sup>(1)</sup>



## Employee Engagement



### Safety

- 34% reduction in Lost Time Injury Frequency Rate<sup>(1)</sup>
- 44% reduction in All Injury Frequency Rate<sup>(2)</sup>

### People

- Sustained employee engagement across the business at 59%
- Women held 20% of people leadership roles (22% of workforce is female)

### Environment

- Established baselines for energy, emissions, water and waste
- Benchmarked energy use across Malt and external audits across Oils

### Community

- Community support through GrainCorp Community Fund
- Indigenous community engagement through Reconciliation Action Plan

1. Measured as Lost Time Injury Frequency Rate ('LTIFR') calculated as the number of lost time injuries per million hours worked. Includes permanent and casual employees and GrainCorp controlled contractors.  
 2. Measured as All Injury Frequency Rate ('AIFR') calculated as the number of injuries per million hour worked. Includes permanent and casual employees and GrainCorp controlled contractors.



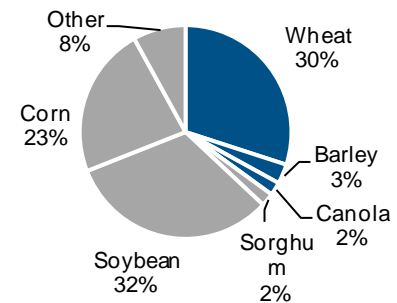
# Strength of our integrated business model



## Three core grains

- Wheat, barley, canola → representing 35% of global traded grains and oilseeds
- Focus on “drier climate” grains where we have a comparative advantage through origination, freight differentials and technical expertise

Global grains traded<sup>(1)</sup>



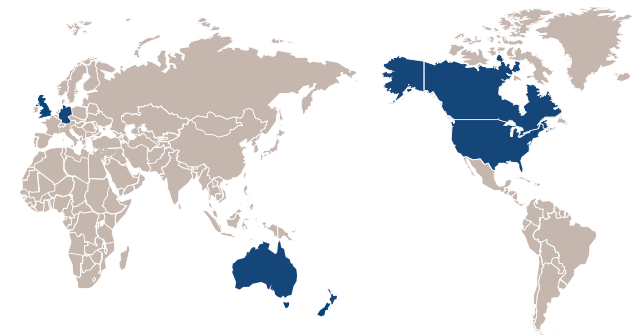
## Three integrated grain activities

- “End to end” grain supply chain presence
- Create and capture value in our core grains along the grain chain, with deep insight into consumer requirements in these grains



## Three operating geographies

- Australasia, North America and Europe → supply over 50% of global trade in our core grains
- Provide market insight and price risk management with multi-origin capability to our consumers

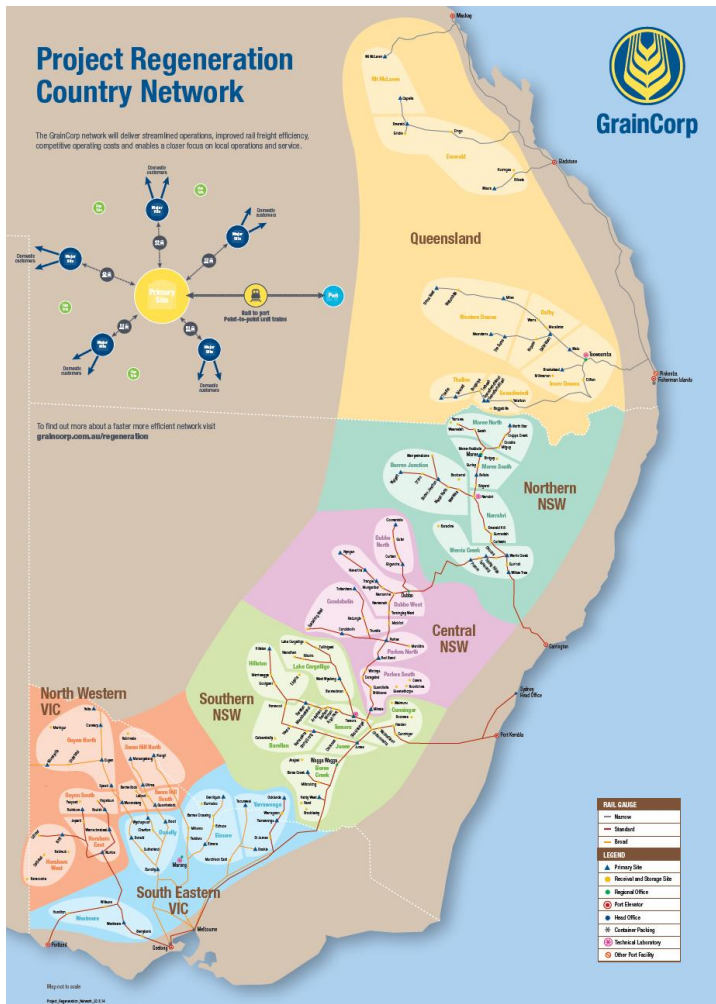


1. Excludes rice.

# Grain storage and logistics assets and capabilities



## Our eastern Australia grain network



## Assets and capabilities

- **Project Regeneration** announced June 2014 → focused investment to reduce complexity and better serve customer – targeting \$5/t reduced rail costs
- Investment in network a necessary response to increasing port capacity in eastern Australia.
- Approximately 180 upcountry receival sites with ~20mmt of storage capacity
- 7 bulk ports with ~15mmt elevation capacity
- 2 packing facilities handling containerised grain exports
- Manage 12+ grain trains with more than 4mmt rail freight capacity, including 4 company owned trains
- Largest bulk exporter of eastern Australian grain
- 150+ active grain buyers competing in our network
- Infrastructure network cannot be easily replicated → replacement value substantially greater than book value
- Infrastructure presence supported and linked by domestic and international grain Marketing capability

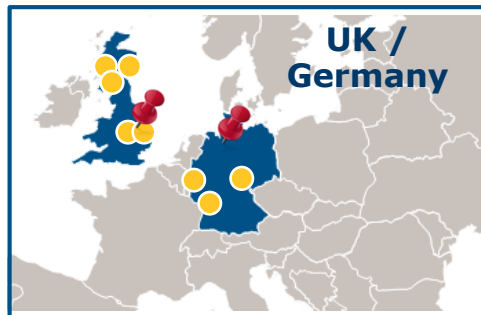


# Global portfolio of grain processing and complementary facilities

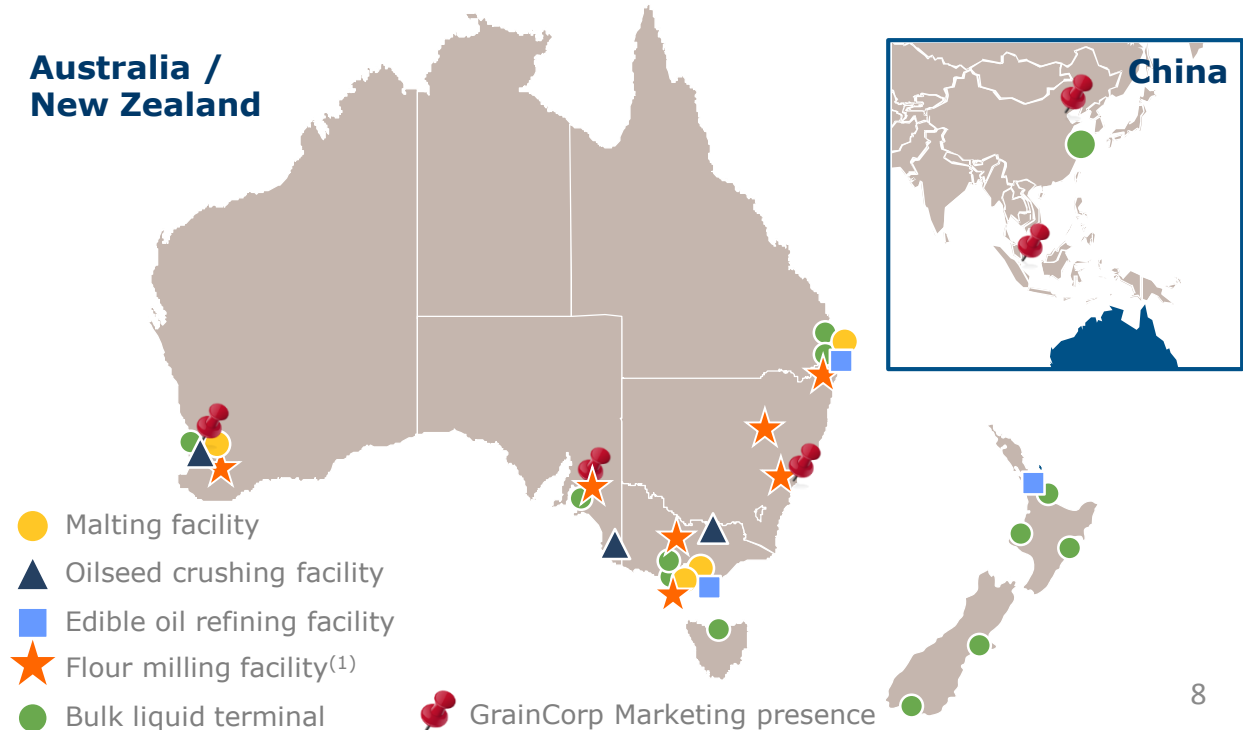


- Produce ~35% of Australia's malt
- Produce ~35% of Australia's flour<sup>(1)</sup>
- Produce ~40% of Australia's canola oil and ~40% of Australasia's refined edible oil
- Import and export ~40% of Australasia's edible oil through 12 bulk liquid terminals
- World's 4<sup>th</sup> largest commercial maltster with ~1.4mmt capacity across 17 plants → the largest maltster in Canada (~50% share) and a leading malster in UK, USA and Germany

## Our international portfolio of processing and complementary assets



### Australia / New Zealand



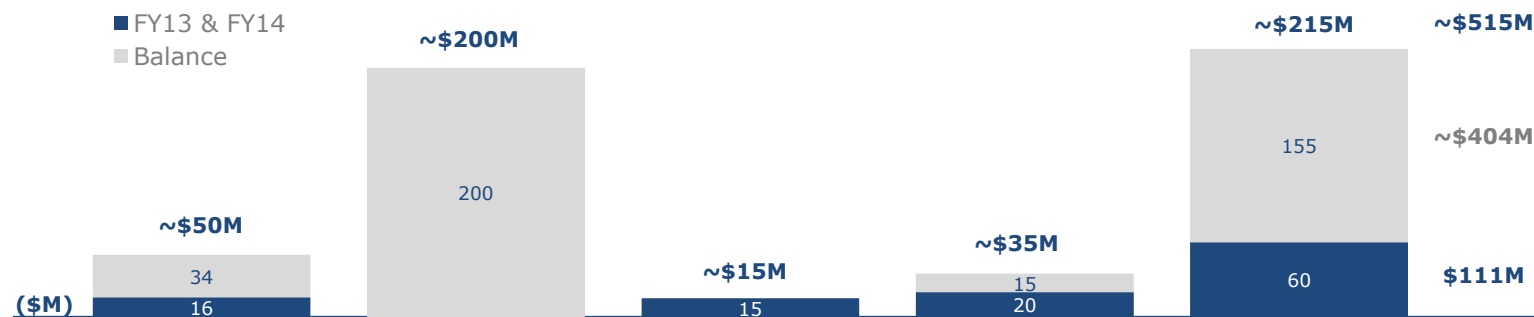
1. Through our 60% JV share of Allied Mills.

# Significant program of strategic initiatives across the business



	Storage & Logistics		Marketing	Malt	Oils
Initiatives	Customer service	Network rationalisation and revitalisation	Customer focussed growth	Operations excellence	Network footprint
	Non-grain opportunities			Global model	Liquid terminals growth
	Port flexibility		Broaden origination footprint	Niche market growth	Integration

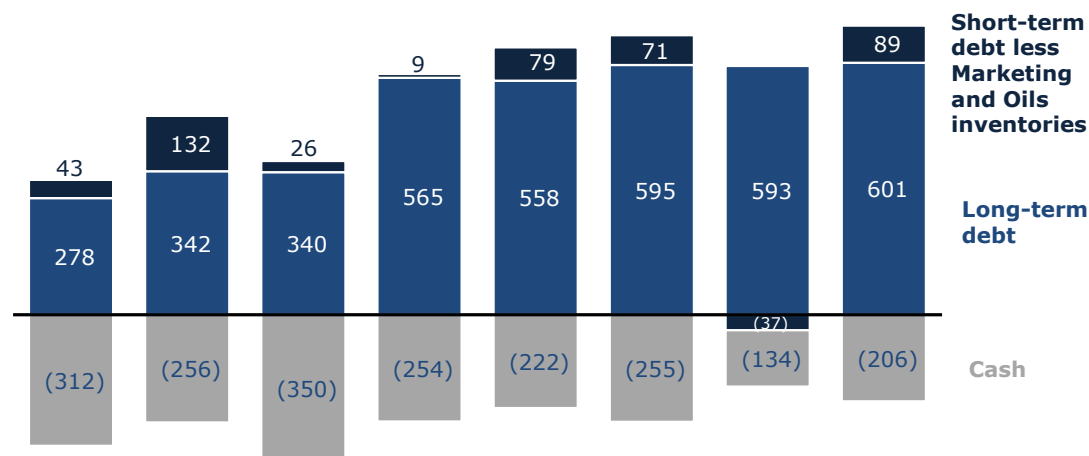
## Capex



# Strong and flexible balance sheet



## Core Debt<sup>(1)</sup> \$M



- Core debt increasing as expected and in line with implementation of strategic initiatives
- FY14 Core Debt<sup>(1)</sup> of \$483M
- FY14 Core Gearing of 22%
- Core Gearing target of <25%
- Debt facilities matching with asset life
- HY14 marketing inventory funding supplemented with cash

FY11	HY12	FY12	FY12 Pro forma <sup>(3)</sup>	HY13 <sup>(4)</sup>	FY13	HY14 <sup>(4)</sup>	FY14	
9	218	16	320	415	411	422	483	<b>Core Debt<sup>(1)</sup></b>
1%	13%	1%	16%	20%	19%	19%	22%	<b>Core Gearing<sup>(2)</sup></b>
0.05x	0.53x	0.04x	0.67x	0.99x	1.04x	1.26x	1.65x	<b>Core Debt / EBITDA</b>

1. Core Debt = Total Debt less Cash less Marketing and Oils grain and oilseed inventory.  
 2. Core Gearing = Core Debt / (Core Debt plus Equity).  
 3. FY12 Pro forma Core Debt / EBITDA includes Oils acquisition debt and FY12 EBITDA as detailed in the ASX Announcement dated 28 August 2012.  
 4. HY EBITDA based on last twelve months ('LTM') ending 31-Mar. Includes Oils LTM.

# Near-term focus



## Strategic initiatives

- Delivering the program of strategic initiatives previously announced
- Project Regeneration fundamental to long-term performance of Storage & Logistics
- Flexibility to refine the plan if necessary and enhance capabilities further

## Capital discipline

- Strong focus on capital management and investment discipline → appropriate gearing and financial metrics supporting capital expenditure program
- Remain a reliable dividend payer
- Whilst maintaining balance sheet flexibility

## Additional opportunities

- Flawless execution on plans to be well placed for further opportunities
- Reduce complexity across the business wherever it may exist

# FY15 Outlook & Guidance



GrainCorp



# Grains outlook – lower grain production eastern Australia



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

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 to end February 2015.
3. Wheat, barley, canola and sorghum exports to end February 2015.
4. Wheat, barley, canola and sorghum shipping stem bookings from end February to September 2015.



# Below normal grain production resulting in lower S&L volumes



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

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 to end February 2015.
4. Wheat, barley, canola, sorghum exports to end February 2015.
5. Wheat, barley, canola and sorghum shipping stem bookings from end February to September 2015.

# Processing outlook – well placed through strong competitive position



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

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

# Winter crop post harvest review



## Production & Receivals

- Lower than average grain production in northern regions
- Winter receivals of 6.7mmt to end February, 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

# Appendices

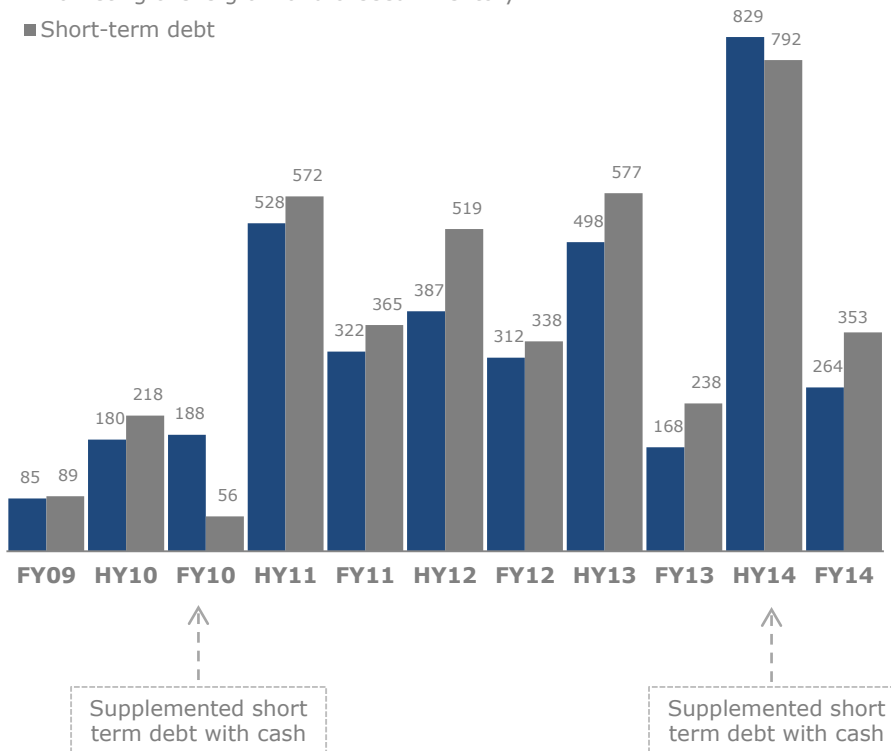


# Commodities inventory funded with specific commodity inventory facilities



## Commodities inventory<sup>(1)</sup> (\$M)

- Marketing & Oils grain and oilseed inventory
- Short-term debt



## Marketing and Oilseed funding strategy

- Marketing's grain trading activities and Oils' oilseed and tallow positions are predominantly funded with specific short term commodity inventory debt facilities:
  - Match debt with asset life
  - Fluctuates with seasonal grain purchases and underlying soft commodity prices

## Treatment

- Marketing's performance measured as PBTDA → interest treated as part of cost of goods sold
- Commodity inventory funding recognised as Operating Cash Flow → match funding purpose

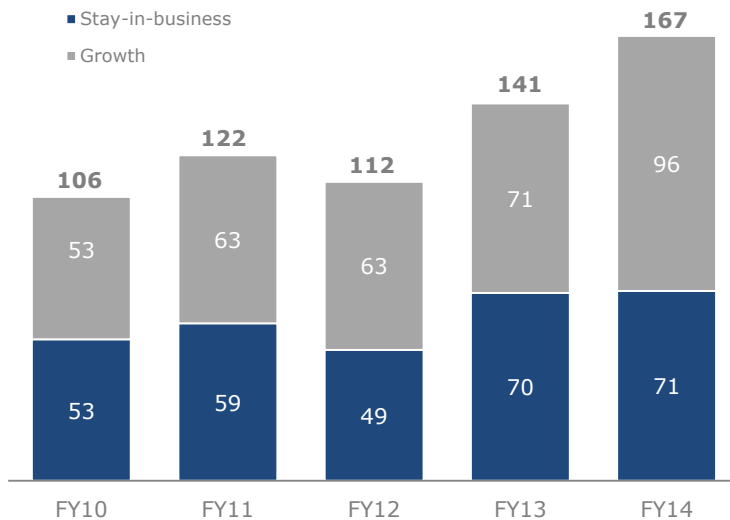
1. Commodities inventory excludes Malt barley and Malt inventory held for processing activities. Variance between commodities inventory and short-term debt reconciles with "Short-term debt less Marketing and Oils inventories" on prior slide.



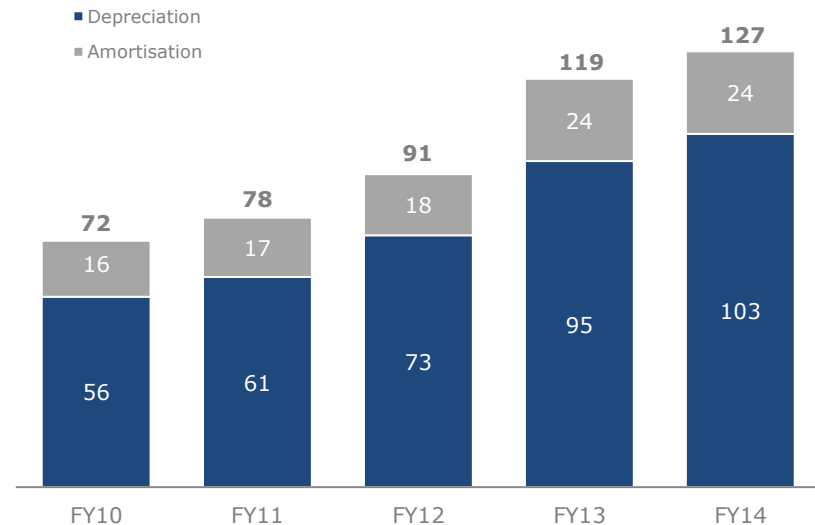
# Capex supporting safety, network efficiencies and strategic initiatives



Capex<sup>(1)</sup> \$M



Depreciation & Amortisation \$M



- \$111M<sup>(2)</sup> invested to progress strategic initiatives in FY13 and FY14 representing ~35% of capex program for announced initiatives excluding Project Regeneration
- FY15 capex will include ~\$160M – \$200M growth capex
- Stay-in-business capex increased from FY12 due to inclusion of Oils
- Depreciation & amortisation higher from FY12 due to inclusion of Oils and recent capex program
- Minority investment in Five Star Flour Mills not included in FY14 capex

1. Excluding acquisitions.  
 2. See slide 36 for further details.

# Capex plan supporting strategic initiatives



## Strategic initiatives capex plan by business unit (\$M)

Business Unit	FY13 and FY14 Capex	FY15 Capex Plan	Capex Balance	Capex Total	Initiatives announced and underway
Storage & Logistics (a)	16	~4 – 10	~24 – 30	~50	<ul style="list-style-type: none"> <li>• Customer service</li> <li>• Non-grain opportunities</li> <li>• Ports flexibility</li> </ul>
Storage & Logistics (b)	–	~35 – 40	~160 – 165	~200	<ul style="list-style-type: none"> <li>• Network rationalisation and revitalisation</li> </ul>
Marketing	15	–	–	~15	<ul style="list-style-type: none"> <li>• Customer focussed growth</li> <li>• Broaden origination footprint</li> </ul>
Malt	20	~10 – 15	~0 – 5	~35	<ul style="list-style-type: none"> <li>• Operations excellence</li> <li>• Global model</li> <li>• Niche market growth</li> </ul>
Oils	60	~95 – 105	~50 – 60	~215	<ul style="list-style-type: none"> <li>• Integration</li> <li>• Network footprint</li> <li>• Liquid terminals growth</li> </ul>
<b>Total</b>	<b>111</b>	<b>~144 – 170</b>	<b>~234 – 260</b>	<b>~515</b>	

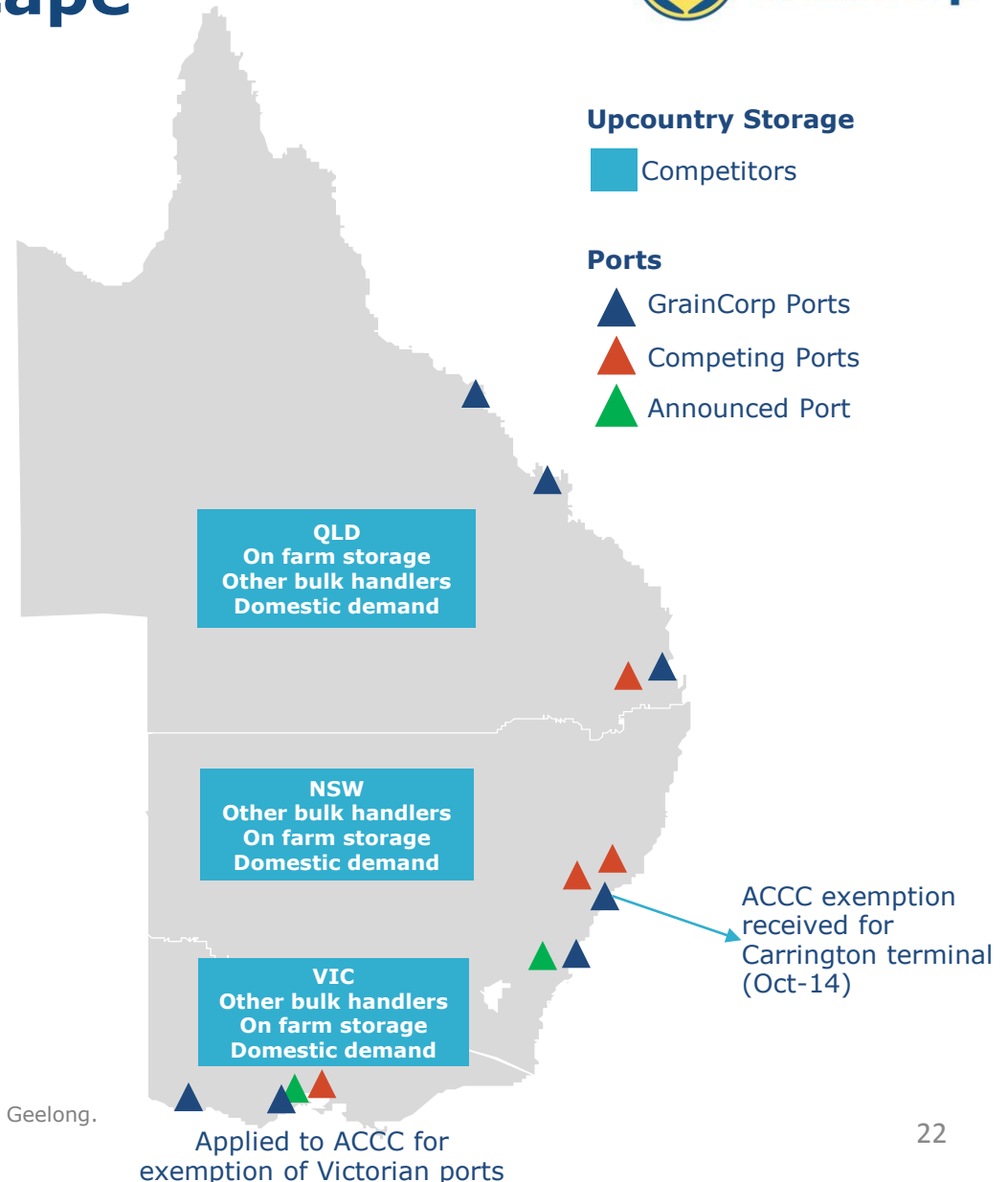
# Eastern Australia competitive landscape



Upcountry Storage Capacity	
GrainCorp	~20mmt
Competitors	~10mmt
On-farm	~10mmt
<b>Total</b>	<b>~40mmt</b>

Production / Exports	
Eastern Australia grain production	~18mmt
Domestic demand	~10mmt
<b>Exportable surplus</b>	<b>~8mmt</b>

Grain Export Capacity	
GrainCorp	~15.0mmt
Competitors <sup>(1)</sup>	~5.0mmt
Container exports	~3.5mmt
<b>Total</b>	<b>~23.5mmt</b>



1. Including competing ports announced at Port Kembla and Geelong.